

Agreement between the republic of Spain and the republic of Lithuania for the promotion and reciprocal protection of investments in the republic of Lithuania.

Agreement between the Kingdom of Spain and the Republic of Lithuania on the reciprocal promotion and protection of investments

The Kingdom of Spain and the Republic of Lithuania, hereinafter referred to as the contracting parties, "

Desiring to intensify economic cooperation in the mutual benefit of both countries;

Aiming to create favourable conditions for investments by investors of either Contracting Party in the territory of the other party; and

Recognizing that the promotion and protection of investments under this agreement will stimulate initiatives in this field,

Have agreed as follows:

Article I. Definitions

For the purposes of this Agreement:

1. "investors" means:

a) Any natural person who is resident in Spain under Spanish legislation and any natural person who is a national of the Republic of Lithuania according to the Lithuanian law;

b) With respect to any of the Contracting Parties, any entity, association, company or other organization duly constituted or organized under the law of the Contracting Party and having its seat in the territory of the same.

2. "investment" means every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party, provided that the investment has been made in accordance with the laws and regulations of the other Contracting Party and shall include, in particular, though not exclusively forms:

a) Movable and immovable property as well as other rights in rem, such as mortgages, liens and pledges and similar rights;

b) Stocks, debentures and any other forms of participation in companies;

c) Rights derived from monetary inputs used in order to establish an economic value or to any benefit rights having an economic value;

d) Copyright, industrial and intellectual property rights, such as patents, trademarks, industrial designs or models, trade names, know-how and goodwill;

e) Business concessions conferred by law or under contract, including concessions to prospecting, cultivate, extract or exploit natural resources.

Any alteration in the form of assets not Investir efectará to their character as an investment provided that such alteration is carried out in accordance with the laws of the host country.

3. Investment income "" means income deriving from an investment as defined above and includes in particular, though not exclusively, dividends, interests, capital gains, dividends, royalties "" (royalties).

The income investment and reinvestment shall enjoy the same protection as the investment.

4. "territory" means the State territory and territorial waters of each of the Contracting Parties, as well as the exclusive economic zone and the continental shelf extends beyond the limits of the territorial waters of each of the Contracting Parties and on which they are or may be in accordance with international law, sovereign rights and jurisdiction for the purpose of exploration and exploitation and preservation of natural resources.

Article II. Promotion , Acceptance

1. Each Contracting Party shall promote as far as possible investments made in its territory by investors of the other Contracting Party and shall accept such investments in accordance with its laws.

2. This Agreement shall also apply to investments made before its entry into force by investors of one Contracting Party in accordance with the laws of the other Contracting Party in the territory of the latter.

Article III. Protection

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 hinder unreasonable or discriminatory measures by the Management, deserrolo, maintenance, use, enjoyment, extension and sale or, where appropriate, the liquidation of such investments.

2. Each Contracting Party shall endeavour to grant the necessary permits in connection with such investments and shall, within the framework of its laws, the granting of permits and licensing of employment contracts relating to Manufacture and technical assistance, commercial, financial and administrative.

3. Each Contracting Party shall also, whenever necessary, the necessary authorizations concerning the activities of consultants and experts appointed by investors of the other contracting party.

Article IV. Treatment

1. Each Contracting Party shall in its territory a fair and equitable treatment to investments by investors of the other contracting party.

2. This treatment shall not be less favourable than that granted by each contracting party to investments made in its territory by investors of any third country.

3. This treatment shall not apply, however, to privileges which either Contracting Party accords to investors of a third State by virtue of its association or participation in a free trade area, customs union or common market or any similar existing or future international agreement to which either of the contracting parties is or becomes a party.

4. The treatment granted under the present article shall not extend to the deductions and tax exemptions or other similar privileges granted by either 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. In addition to the provisions of paragraph 2 of this article, each Contracting Party according to its own legislation, apply to investments of investors of the other Contracting Party A treatment no less favourable than that accorded to its own inversores.párrafo 2 of this article, each Contracting Party according to its own legislation, apply to investments of investors of the other Contracting Party A treatment no less favourable than that accorded to its own investors.

Article V. Expropriation and Nationalization

1. The expropriation or nationalization or any other measures having similar effects that may be taken by the authorities of one Contracting Party against investments made in its territory by investors of the other Contracting Party, shall be applied only for reasons of public interest, according to the law, and in no case shall be discriminatory. the contracting party to take such measures shall be paid to the investor or its successor adequate compensation in convertible and freely transferable.

2. The compensation referred to in paragraph 1 of this article shall be equivalent to the market value of the expropriated investment was immediately before the impending expropriation or to the same became public knowledge and shall be paid without undue delay. any unreasonable delay in payment of compensation shall entail the payment of interest, in accordance with its law. the compensation shall be freely and effectively realisable transferible.párrafo 1 of this article shall be equivalent to the market value of the expropriated investment was immediately before the impending expropriation or to the same became public knowledge and shall be paid without undue delay. any unreasonable delay in payment of compensation shall entail the payment of interest, in accordance with its law. the compensation shall be effectively

realizable and freely transferable.

3. Investors whose assets are expropriated shall have a right to a prompt review by the appropriate judicial or administrative authorities of the contracting party making the expropriation, for the purpose of ascertaining whether it and appropriate compensation conforms to the principles of this article and the laws of that Contracting Party.

Article VI. Compensation for Losses

Investors of one Contracting Party whose investments or returns of investments in the territory of the other contracting party suffer losses owing to war or other armed conflict, a national state of emergency, rebellion, riot or other similar circumstances, including their losses from requisition, shall be accorded to restitution, indemnification, compensation or other settlement, a treatment no less favourable than that which the latter Contracting Party accords to investors of any third State. any payments made under this article shall be made in a prompt, adequate, effective and freely transferable.

Article VII. Transfers

1. With respect to investments in its territory, each Contracting Party shall accord to investors of the other Contracting Party the free transfer of the income from those and other payments relating to the same, including, in particular, though not exclusively, the following forms:

The investment income as defined in Article I;

The compensation provided for in articles V and VI;

The proceeds from the sale or the total or partial liquidation of an investment;

Funds in repayment of loans;

The capital and additional amounts for the maintenance or extension of the investment, such as funds for acquiring raw or auxiliary semifinished or finished products, or to replace capital assets;

Salaries, wages and other remunerations received by the nationals of one Contracting Party who have obtained in the territory of the other Contracting Party the corresponding work permits in connection with an investment.

2. The Contracting Party accepting the investment will enable the investor of the other Contracting Party, or a society which has invested in market access, foreign currency in a non-discriminatory manner, so that the investor may purchase the necessary currency for the transfers referred to in this article.

3. Transfers shall be made in freely convertible currency and shall only be granted when taking place in accordance with the legislation of the host contracting party of the investment.

4. Les transfers shall be made without undue delay in accordance with the practice of the international financial and in any case within a period not exceeding three months after the date on which the request for transfer.

5. The Contracting Parties agree to accord to the transfers referred to in this article a treatment no less favourable than that accorded to transfers originating from investments made by investors of any third State.

Article VIII. More Favourable Terms

More favourable terms than those of this Agreement which have been agreed to by one of the Contracting Parties with investors of the other Contracting Party shall not be affected by this Agreement.

Article IX. Subrogation

In the event that a Contracting Party has provided any financial guarantee concerning non-commercial risks in connection with an investment made by its investors in the territory of the other contracting party, the latter shall accept the subrogation of the first Contracting Party in the economic rights of the investor, from the first time that the Contracting Party has made a payment under the guarantee granted. the subrogation will ensure that Contracting Party is the first direct beneficiaries of all payments of compensation to the investor might be initial creditor.

As regards property rights, use, enjoyment or any other right, the subrogation shall take place only when the appropriate legal requirements of the host contracting party.

Article X. Settlement of Disputes between the Contracting Parties

1. Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall be settled as far as possible through diplomatic channels.
2. If the dispute cannot be settled in this way within six months from the beginning of negotiations, the dispute shall be submitted, at the request of either of the two contracting parties to an arbitration tribunal.
3. The arbitration tribunal shall be constituted as follows: each Contracting Party shall appoint one arbitrator and these two arbitrators shall elect a national of a third country as Chairman. 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 arbitration tribunal.
4. If one of the Contracting Parties has not appointed its arbitrator within the deadline, the other Contracting Party may request the President of the International Court of Justice to make the appointment. if the two arbitrators fail to agree on the appointment of the third arbitrator within the prescribed period, either Contracting Party may appeal to the President of the International Court of Justice to make the appointment.
5. If in the cases referred to in paragraph 4 of this article, the President of the International Court of Justice cannot discharge the said function or is a national of either Contracting Party, the Vice-President shall be invited to make the necessary appointments. if the Vice-President cannot discharge the said function or is a national of either Contracting Party shall be invited to make the necessary appointments to the most senior member of the Court who is in a position to do so and who is not a national of any of the Parties contratantes.párrafo 4 of this article, the President of the International Court of Justice cannot discharge the said function or is a national of either Contracting Party, the Vice-President shall be invited to make the necessary appointments. if the Vice-President cannot discharge the said function or is a national of either Contracting Party shall be invited to make the necessary appointments to the most senior member of the Court who is in a position to do so and who is not a national of either of the Contracting Parties.
6. The arbitration tribunal shall deliver its opinion on the basis of respect for the Law, the rules contained in this Agreement or in other agreements in force between the contracting parties, and the universally recognized principles of international law.
7. Unless the Contracting Parties decide otherwise, the tribunal shall determine its own procedure.
8. The tribunal shall reach its decision by a majority of votes and that decision shall be final and binding on both contracting parties.
9. Each Contracting Party shall bear the costs of the arbitrator appointed by it and its representation in the arbitral proceedings. the other expenses, including the President, shall be borne in equal parts by both contracting parties.

Article XI. Disputes between Investors and a Contracting Party of the other Contracting Party

1. Any dispute concerning an investment which may arise between a Contracting Party and an investor of the other Contracting Party regarding any investment as defined under this Agreement, shall be notified in writing, including detailed information by the investor Contracting Party to the recipient of the investment. to the extent possible, the parties to the dispute seek to settle the dispute by means of a friendly settlement.
2. If the dispute cannot be settled in this way within six months from the date of the written notification mentioned in paragraph 1 shall be submitted, at the choice of the investor: paragraph 1 shall be submitted, at the choice of the investor:

The competent court of the Party in whose territory the contratente investment was made;

The arbitral tribunal "ad hoc" established under the Arbitration Rules of the United Nations Commission on International Trade Law;

The International Centre International Centre for Settlement of Investment Disputes (ICSID), 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 both contracting parties become signatories of this Convention;

The Court of Arbitration of the Paris International Chamber of Commerce.
3. The arbitration shall be based on:

The provisions of this Agreement and any other agreements in force between the contracting parties;

The rules and the universally accepted principles of International Law;

The national legislation of the Contracting Party in whose territory the investment was made, including the rules relating to conflicts of law.

4. The arbitral awards shall be final and binding on the parties to the dispute. each Contracting Party undertakes to execute the decisions in accordance with its national legislation.

Article XII. Entry Into Force , Extension and Termination

1. This Agreement shall enter into force on the date on which the contracting parties have notified each other of the completion of their respective constitutional formalities required for the Entry into Force of international agreements. it shall remain in force for an initial period of ten years and shall be renewable, by tacit renewal, for periods of two consecutive years.

Each Contracting Party may denounce this Agreement by a written notification, six months before the date of expiry.

2. With respect to investments made or acquired prior to the date of termination of this Agreement and to which otherwise áste applies, shall remain in force for a further period of ten years from such date of termination, the provisions of all of the other articles of this Agreement.

3. The contracting parties may agree, at the time of Entry into Force agreement or at any time thereafter, the amendment of the provisions contained therein. any amendment shall enter into force when the contracting parties will have notified each other to the fulfilment of their constitutional formalidades for its Entry into Force.

Done in duplicate at Vilnius, 6 July 1994, in English, Lithuanian and English languages, all texts being equally authentic.

For the Kingdom of Spain,

Slight, APOLONIO Ruiz

State Secretary of Commerce

The Republic of Lithuania,

Albino Januska,

Secretary of the Ministry of Foreign Affairs