AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA ON THE MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Slovenia and the Government of the Republic of Singapore (each hereinafter referred to as a "Contracting Party"),

DESIRING to create favorable conditions for greater economic co-operation between them and in particular for investments by investors of one State in the territory of the other State based on the principles of equality and mutual benefit;

RECOGNIZING that the encouragement and reciprocal protection of such investments will be conducive to stimulating business initiative and increasing prosperity in both States;

HAVE AGREED AS FOLLOWS:

Article 1. Definitions

For the purposes of this Agreement:

1 . The term "investment" means every kind of asset permitted by each Contracting Party in accordance with its laws and regulations, including, though not exclusively, any:

(a) Movable and immovable property and other property rights such as mortgages, liens or pledges;

(b) Shares, stocks, debentures and similar interests in companies;

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

(d) Intellectual property rights, goodwill and know-how; and

(e) Concessions conferred by law or under contract, including any concession to search for, cultivate, extract or exploit natural resources.

2 . The term "returns" means monetary returns yielded by an investment including any profits, interests, capital gains, dividends, royalties or fees.

3 . The term "investor" means in relation to either Contracting Party the nationals and companies of the Contracting Party concerned.

4 . The term "national" means:

(a) In respect of the Republic of Slovenia, any natural person who is a national of the Republic of Slovenia in accordance with its laws;

(b) In respect of the Republic of Singapore, any citizen of Singapore within the meaning of the Constitution of the Republic of Singapore.Constitution of the Republic of Singapore.

5 . The term "company" means:

(a) In respect of the Republic of Slovenia, any entity incorporated or constituted in accordance with and recognized as a legal person by the laws in the territory of the Republic of Slovenia;

(b) In respect of the Republic of Singapore, any company, firm, association or body, with or without legal personality, incorporated, established or registered under the laws in force in the Republic of Singapore.

6 . The term "territory" means:

(a) With respect to the Republic of Slovenia, the territory under its sovereignty, including airspace and maritime areas, over which the Republic of Slovenia exercises its sovereignty or jurisdiction, in accordance with its internal law which shall be consistent with international law; and

(b) With respect to the Republic of Singapore, the territory of the Republic of Singapore.

7 . The term "freely convertible currency" means any currency that is widely used to make payments for international transactions and widely traded in the principal international exchange markets.

Article 2. Applicability of this Agreement

1 . This Agreement shall only apply:

(a) With respect to investments in the territory of the Republic of Slovenia to all investments made by investors of the Republic of Singapore which are made in accordance with its laws and regulations;

(b) With respect to investments in the territory of the Republic of Singapore, to all investments made by investors of the Republic of Slovenia, which are specifically approved in writing by the competent authority designated by the Government of the Republic of Singapore and upon such conditions, if any, as it shall deem fit.

2 . The provisions of the foregoing paragraph shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement.

Article 3. Promotion and Protection of Investments

1 . Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to invest in its territory.

2 . Investments made or approved under Article 2 shall be accorded fair and equitable treatment and protection in accordance with this Agreement.

Article 4. Most Favoured Nation Provision

Neither Contracting Party shall in its territory subject investments made or approved under Article 2 or returns of investors of the other Contracting Party to treatment less favorable than that which it accords to investments or returns of investors of any third State.

Article 5. Exceptions

1 . The provisions of this Agreement relating to the grant of treatment not less favorable than that accorded to the investors of any third State shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) Any regional arrangement for customs, monetary, tariff or trade matters (including a free trade area) or any agreement designed to lead in future to such a regional arrangement; or

(b) Any arrangement with a third State or States in the same geographical region designed to promote regional cooperation in the economic, social, labour, industrial or monetary fields within the framework of specific projects.

2 . The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the two Contracting Parties and the domestic laws of each Contracting Party.

Article 6. Expropriation

1 . Neither Contracting Party shall take any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") against the investments of investors of the other Contracting Party unless the measures are taken for any purpose authorized by law, on a nondiscriminatory bases, in accordance with its laws and against compensation which shall be effectively realizable and shall be made without unreasonable delay. Such compensation shall, subject to the laws of each Contracting Party, be the

value immediately before the expropriation became public knowledge. The compensation shall be freely convertible and transferable.

2 . Any measure of expropriation or valuation may, at the request of the investor affected, be reviewed by a judicial or other independent authority of the Contracting Party taking the measures in the manner prescribed by its laws.

3 . Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the laws in force in any part of its own territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to guarantee compensation as specified therein to such investors of the other Contracting Party who are owners of those shares.

Article 7. Compensation for Losses

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, if any, no less favorable than that which the latter Contracting Party accords to investors of any third State. Any payment made under this Article shall be freely convertible and transferable.

Article 8. Transfers

1 . Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer, on a non-discriminatory basis, of their capital and the returns from any investments. The transfers shall be made in a freely convertible currency, without any restriction or undue delay. Such transfers shall include in particular, though not exclusively:

(a) Profits, capital gains, dividends, royalties, interest and other current income accruing from an investment;

(b) The proceeds of the total or partial liquidation of an investment;

(c) Repayments made pursuant to a loan agreement in connection with an investment;

(d) License or other fees in relation to the matters in Article 1 (1)(d);

(e) Payments in respect of technical assistance, technical service and management fees;

(f) Payments in connection with contracting projects;

(g) Earnings of nationals of the other Contracting Party who work in connection with an investment in the territory of the former Contracting Party.

2 . Nothing in paragraph 1 of this Article shall affect the free transfer of compensation paid under Articles 6 and 7 of this Agreement.

Article 9. Exchange Rate

The transfers referred to in Articles 6 to 8 of this Agreement shall be effected at the prevailing market rate in freely convertible currency on the date of transfer.

Article 10. Laws

For the avoidance of any doubt, it is declared that all investments shall, subject to this Agreement, be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

Article 11. Subrogation

1 . If one Contracting Party or its designated Agency (hereinafter referred to as the "First Contracting Party") makes a payment to an investor of that Contracting Party under a guarantee or a contract of insurance it has granted in respect of an investment, the other Contracting Party shall recognise the transfer of rights of any right or title in respect of such investment. The First Contracting Party is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party indemnified.

2 . Any payment made by one Contracting Party or its designated Agency to its investors shall not affect the right of such investors to make their claims against the other Contracting Party in accordance with Article 12.

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

1 . Any dispute between an investor of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. The party intending to resolve such dispute through negotiations shall give written notice to the other of its intention.

2 . If any dispute cannot be thus resolved as provided in paragraph 1 of this Article within six months from the date of the notice given thereunder by either party to the dispute, then, unless the parties have otherwise agreed, it shall, upon the request of either party to the dispute, be submitted to conciliation or arbitration by the International Centre for Settlement of Investment Disputes (called the "Centre" in this Agreement) established by the Convention on the Settlement of Investment Disputes between the States and Nationals of other States opened for signature at Washington on 18 March, 1965 (called the "Convention" in this Agreement). For this purpose, each Contracting Party hereby irrevocably consents in advance under Article 25 of the Convention to submit any dispute to the Centre.

Article 13. Settlement of Disputes between the Contracting Parties

1 . Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through negotiation.

2 . If any dispute cannot be thus settled, it shall upon the request of either Contracting Party be submitted to arbitration. The arbitral tribunal (hereinafter called "the tribunal") shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be Chairman of the tribunal, appointed by agreement of the Contracting Parties.

3 . Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.

4 . If the tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a national of either Contracting Party or if he is unable to do so, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Party or if he is unable to do so, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make the necessary appointments, and so on.

5 . The tribunal shall reach its decision by a majority of votes.

6 . The tribunal's decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.

7 . Each Contracting Party shall bear the costs of its own member of the tribunal and of its representation in the arbitration proceedings and half the costs of the Chairman and the remaining costs. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Parties, and this award shall be binding on both Parties.

8 . Apart from the above the tribunal shall establish its own rules of procedure.

Article 14. Other Obligations

If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to this Agreement contain a provision, whether general or specific, entitling investments made by investors of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such position shall not be affected by this Agreement. Each Contracting Party shall observe any commitment in accordance with its laws additional to those specified in this Agreement entered into by the Contracting Party, its investors with investors of the other Contracting Party as regards their investments.

Article 15. Entry Into Force, Duration and Termination

1 . Each Contracting Party shall notify the other Contracting Party of the fulfillment of its internal legal procedures required for bringing into force of this Agreement. This Agreement shall enter into force on the thirtieth day from the date of notification of the later Contracting Party.

2 . This Agreement shall remain in force for a period of fifteen (15) years and shall continue in force thereafter unless, after the expiry of the initial period of fourteen years, either Contracting Party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after it has been received by the other Contracting Party.

3 . In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 14 shall remain in force for a further period of fifteen years from that date.

Done in duplicate at Singapore this 25th day of January 1999, in two originals, in English language.

For the Government of the Republic of Slovenia

Marjan Senjur, (s)

For the Government of the Republic of Singapore

Lee Yock Suan, (s)