

**Agreement between the Republic of Austria and the SFRY on the
Promotion and Protection of Investments (NR: GP XVII RV 1132 AB
1375 S. 151st**

BR: AB 3948 p 533.)

Promulgation organ

BGBI.Nr. 152/1991 ST0061

Type

Teilo

Date 19910328

152nd

The National Council has resolved:

The completion of the following State Treaty is approved.

AGREEMENT

**BETWEEN THE REPUBLIC OF AUSTRIA AND THE SOCIALIST FEDERAL
REPUBLIC OF YUGOSLAVIA ON THE PROMOTION AND PROTECTION OF
INVESTMENTS**

THE REPUBLIC OF AUSTRIA AND THE Socialist Federal Republic of Yugoslavia, hereinafter referred to as the "Parties",

DESIRING to create favorable conditions for greater economic cooperation between the Parties;

RECOGNIZING that the promotion and protection of investments may strengthen the readiness for such investments and hereby make an important contribution to the development of economic relations,

HAVE AGREED AS FOLLOWS:

Article 1. Definitions

For the purposes of this Agreement

(1) the term "investment" comprises all assets invested an investor of a Contracting Party in the territory of the other Party

in accordance with its legislation, in particular, but not exclusively:

- a) movable and immovable property owned by the investor as well as other rights in rem, such as mortgages, usufruct, lien and similar rights;
- b) shares and other kinds of interest in companies;
- c) claims to money that are invested or from a performance that has been furnished to create an economic value in relation to an investment;
- d) copyrights, industrial property rights such as patents, trademarks, industrial designs and utility models, technical processes, know-how, trade names and goodwill;
- e) public service concessions for the extraction of natural resources;

(2) applies the legal extension or modification of an investment as new investment;

(3) the term "investor":

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a) any natural person who is a national of a Party and conducts in accordance with their legislation on the territory of the other Party an investment;

b) any legal person or partnership of the commercial law, which was built in accordance with the laws of a Party, has its headquarters in the territory of that Party and making an investment in the territory of the other Party;

(4) the term "proceeds" The ones amounts yielded by an investment and includes in particular, but not exclusively, profits, interest, dividends, royalties, license fees and other similar charges;

(5) the term "expropriation" means any measure of deprivation of property or a restriction having equivalent effect.

Article 2. Promotion and Protection of Investments

(1) Each Party shall, as far as possible in its territory investments by investors of the other Party, this permits in accordance with its legislation and treats them in any case fair and equitable.

(2) investments in accordance with paragraph 1 and their returns shall enjoy the full protection of this Agreement. The same applies in the event of their reinvestment also for their returns.

Article 3. Treatment of Investments

(1) Each Party shall subject investors of the other Party and their investments treatment no less favorable than its own investors and their investments or investors of any third State and their investments.

(2) The provisions of this Agreement can not be interpreted as requiring a Party to the investors of another Party and their investments the present or future benefit of any treatment, preference or privilege resulting from:

- a) a customs union, a common market, a free trade area or membership in an economic community;
- b) an international agreement, an arrangement or domestic legislation regarding taxation;
- c) any regulation to facilitate local border traffic.

Article 4. Compensation

(1) Investments of investors of either Contracting Party shall not be expropriated in the territory of the other Party only in the public interest, due process of law in accordance with national laws and against compensation. Such compensation shall be fair and equal to the value of the investment. The compensation shall be paid without undue delay; it is, if it is not paid to the foreseen in the legally decided due date to pay interest until the date of payment the usual bank interest of the country in whose territory the investment was carried out; it shall be effectively realizable and freely transferable. Not later than the time of expropriation must be made in an appropriate manner for the determination and payment of compensation

provisions.

(2) The investor shall, without prejudice to Article 7 of this Agreement, the right to the legality of the expropriation and the amount and payment terms of

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Compensation by the responsible authorities of the Contracting Party having induced the expropriation, to have it checked.

Article 5. Transfers

(1) Each Party shall guarantee to investors of the other party, without undue delay, the free transfer in freely convertible currency, of payments connected with an investment, particularly, but not exclusively,

- a) the principal and additional amounts to maintain or increase the investment;
- b) of amounts assigned to cover expenses relating to the management of the investment;
- c) the returns;
- d) the repayment of loans;
- e) the proceeds from total or partial liquidation or sale of the investment;
- f) a compensation according to in Article 4.

(2) The transfers under this Article successes at the exchange rates in force at the date of transfer.

(3) The exchange rates will be according to the rules of the Contracting Party takes place from the territory of the transfer, set the bank charges are fair and reasonable.

Article 6. Entry Right

If a Contracting Party or authorized by it makes Institution payments to its investor under a guarantee for an investment in the territory of the other Contracting Party, the latter Contracting Party shall, without prejudice to the rights of the investor of the first Contracting Party under Article 7, the transfer of all rights or claims this investor to a law or a legal transaction in the former Contracting party. To transfer the amount payable to the Contracting Party concerned by reason of the rights transferred payments Articles 4 and 5 shall apply mutatis mutandis.

Article 7. Settlement of Investment Disputes

(1) arise between a Contracting Party and an investor of the other Party disagreements from an investment, these are as far as possible between the parties to the dispute settled through amicable negotiations.

(2) Can not be settled within three months a disagreement referred to in paragraph 1, the disagreement to carry out a comparative method or arbitration may be submitted to the International Centre for Settlement of Investment Disputes, which by the Convention on the Settlement of Investment Disputes between States and nationals of other States * 1), which was opened for signature in Washington on 18 March 1965 was created. In the case of arbitration, each Contracting Party agrees also absence of an individual arbitration agreement between a Contracting Party and an investor in this Agreement irrevocably consents in advance to submit such disputes to the center and to recognize the award as binding. This consent implies the renunciation of the requirement that the internal administrative or judicial procedure has been exhausted.

(3) A Party, the party to the dispute, contends in any stage of the comparison or arbitration proceedings or enforcement of an arbitral award as an objection that the

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Investor, which is the other party to the dispute, with respect due to a guarantee of some or all of its losses have received compensation.

Article 8. Disputes between the Contracting Parties

- (1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through amicable negotiations.
- (2) Can not be settled a disagreement in accordance with paragraph 1 within six months, it shall be submitted at the request of either Party to arbitration.
- (3) The arbitral tribunal shall be established from case to case, each Contracting Party shall appoint one member and these two members shall agree on a third person, but may not be a citizen of one of the two parties, as chairman. The members are, within two months after either Party notifies the other that it intends to submit the dispute to an arbitral tribunal to appoint the Chairman within a further two months.
- (4) If the documents referred to in paragraph 3 deadlines are not met, it may invite the President of the International Court of Justice to make the necessary appointments in the absence of any other agreement party. If the President of the International Court of Justice is a national of either Contracting Party or is prevented for any other reason, then the Vice-President or be invited in his absence, the senior member of the International Court of Justice under the same conditions to make the appointments.
- (5) The arbitral tribunal shall decide by majority vote. Incidentally, it determine its own procedure.
- (6) The decision of the tribunal is final and binding.
- (7) Each Party shall bear the cost of its own member and of its representation in the arbitration proceedings. The cost of the Chairman and the remaining costs shall be borne by both parties equally. However, the tribunal may make a different regulation concerning costs in its decision.

Article 9. Application of this Agreement

This Agreement applies to investments, the investors of either Contracting Party in accordance
With the legislation of the other Party in whose territory both before
Have made after the effective date of this Agreement.

Article 10. Entry Into Force and Duration

- (1) This Agreement is subject to ratification and shall enter into force on the first day of the third month following the month in which the instruments of ratification have been exchanged.
- (2) The Agreement shall remain in force for ten years; after which it will be extended for an indefinite period, unless one of the two Parties denounces it in writing twelve months before its expiration. After ten years, the Agreement may at any time be terminated by either of the two parties with a notice period of twelve months.

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- (3) For investments made prior to the date of termination of this Agreement
Have been made, the product t continue to apply until 9 on for another ten years from the date of expiry of the Agreement.

DONE at Belgrade, on 25 October 1989 in duplicate in the German and Serbo-Croatian language, both texts being equally authentic.

For the Republic of Austria:

Leifer

For the Socialist Federal Republic of Yugoslavia:

Skapin

The countersigned by the Federal President and undersigned by the Federal ratification was exchanged on March 8, 1991: the Convention enters in accordance with its Article 10, Section 1 of 1 June 1991 relating to power...

Vranitzky

* 1) Kund Made in BGBl. Nr. 357/1971

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