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

The Kingdom of Spain and the Republic of Moldova (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 contracting party, and

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

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. "investor" means any national or company of a contracting party to make investments in the territory of the other Contracting Party:

a) "National" means any natural person who, in accordance with the legislation of one Contracting Party, shall be a national of the same;

b) "company" means any legal person or any other entity duly constituted or otherwise organised under the applicable law of that Contracting Party and having its registered office in the territory of that same Contracting Party, such as corporations, partnerships or business associations;

2. "investment" means every kind of assets that have been invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter Contracting Party, including in particular, though not exclusively, the following:

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

b) A company or enterprise, shares or debentures, stocks and of a company and any other form of participation in a company or business enterprise;

c) The right to money or to any other provision under a contract having an economic value associated with an investment; and

d) Intellectual Property Rights, processes, know-how, technical know-how and goodwill;

e) Rights to undertake economic and commercial activities conferred by law or under contract, including concessions to prospecting, cultivate, extract or exploit natural resources.

The investments made in the territory of a Contracting Party by any legal entity of that same Contracting party but that is owned or controlled effectively by investors of the other Contracting Party shall also be considered as investments made by investors of the other Contracting Party, provided that have been made in accordance with the laws and regulations of the former Contracting Party.

Any change in the form in which assets are invested or reinvested shall not affect their character as investments provided that such change is made in accordance with the laws and regulations of the host contracting party.

3. "Income" means the amounts yielded by an investment and shall include in particular, though not exclusively, profits,

dividends, interests, capital gains, royalties and fees.

4. "territory" means the land territory, internal waters and the territorial sea of each Contracting Party as well as the exclusive economic zone and the continental shelf extending beyond the limits of the territorial waters of each of the Contracting Parties and which they have or are likely to have jurisdiction or sovereign rights under international law.

Article 2. Promotion and Admit Investments

1 Each Contracting Party shall promote in its territory, as far as possible investments by investors of the other contracting party. each Contracting Party shall admit such investments in accordance with its laws and regulations.

2 If a Contracting Party has admitted an investment in its territory, it shall grant, in accordance with its laws and regulations the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for commercial, administrative or technical assistance. each Contracting Party shall endeavour to issue, where appropriate, the necessary authorizations concerning the activities of consultants and other qualified persons, regardless of nationality.

Article 3. Protection

1. Shall be accorded fair and equitable treatment and full protection and security to investments made by investors of one Contracting Party in the territory of the other contracting party. in no case shall such investments to a contracting party treatment less favourable than that required by international law.

2. Neither Contracting Party shall in any way by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of such investments. each Contracting Party shall observe any written obligation it has assumed with regard to investments of investors of the other Contracting Party and that are clearly in accordance with the applicable domestic law.

Article 4. National and Most-favoured-nation Treatment

1. Each Contracting Party shall accord to investments made in its territory by investors of the other Contracting Party A treatment no less favourable than that accorded to investments made by its own investors to investors or of any third State, whichever is more favourable to the investor concerned.

2. Each Contracting Party shall accord to investors in its territory of the other contracting party, as regards the management, maintenance, use, enjoyment or disposal of their investments, treatment no less favourable than that accorded to its own investors to investors or of any third State, which is more favourable to the investor concerned.

3. The treatment granted under paragraphs 1 and 2 of this article shall not be construed as to oblige one contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from its membership or association with a free trade area, customs union, economic or monetary union union or any other regional economic integration organization, or future already existente.apartados 1 and 2 of this article shall not be construed as to oblige one contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from its membership or association with a free trade area, customs union, economic or monetary union union or any other regional economic integration organization, existing or future.

4. The measures to be taken for reasons of public security and public order or public health shall not be considered to be less favourable treatment "For the purposes of this article.

Article 5. Expropriation

1. Investments of investors of either Contracting Party in the territory of the other Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as expropriation) except for reasons of public interest and under due process of law, on a non-discriminatory basis and against payment of prompt, effective and adequate compensation.

2. Such compensation shall correspond to the fair market value of the expropriated investment immediately before the impending expropriation or expropriation, whichever is earlier, is publicly announce (hereinafter referred to as the valuation date).

3. Such fair market value shall be calculated in a freely convertible currency and at the prevailing market rate of exchange for that currency on the valuation date. the compensation shall include interest at a rate established commercial market on the basis for the valuation of currency from the date of expropriation until the date of payment. the compensation shall be paid without delay, be effectively realizable and freely transferable.

4. According to the legislation of the contracting party making the expropriation, the investor affected shall have a right to a judicial authority or another competent and independent authority of that Contracting Party to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the principles set out in this article.

5. When a Contracting Party shall expropriate assets of a corporation incorporated under the laws in force in any part of its own territory, and in which investors have participation of the other Contracting Party, shall ensure the application of the provisions of this article to guarantee prompt, adequate and effective compensation in respect of their investment to such investors of the other Contracting Party who are owners of those shares.

Article 6. Compensation for Losses

1. The investors of one Contracting Party whose investments in the territory of the other contracting party suffer losses owing to war or other armed conflict, revolution, state of national emergency, revolt, civil disturbance or other similar events shall be accorded by the latter Contracting Party, by way of restitution, indemnification, compensation or other settlement, a treatment no less favourable than that accorded to its own investors to investors or of any third State, apply the treatment that is more favourable to the investor concerned. the resulting payments shall be freely transferable.

2. Notwithstanding paragraph 1, 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: (1), 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) The requisitioning of its investment or part thereof by the authorities or forces of the latter Contracting Party; or

b) The destruction of its investment or part thereof by the authorities or forces of the latter Contracting Party, without requiring the necessity of the situation,

The latter Contracting Party shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective. the resulting payments shall be made without delay and shall be freely transferable.

Article 7. Transfers

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer of all payments relating to their investments. such transfers shall include in particular, though not exclusively;

a) The initial capital and additional amounts to maintain or expand the investment;

b) The investment income, as defined in article 1; article 1;

c) The funds in repayment of loans related to an investment;

d) The compensation under articles 5 and 6; articles 5 and 6;

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

f) Other earnings and remuneration of personnel engaged from abroad in connection with an investment;

g) Payments arising out of the settlement of a dispute.

2. The transfers referred to in the present Agreement shall be made without delay in a freely convertible currency and at the market exchange rate prevailing on the date of transfer.

Article 8. Other Provisions

1. If the legislation of either Contracting Party or existing obligations under international law or subsequently arise between the Contracting Parties in addition to this Agreement contain rules whether general or specific), which is to be granted to investments made by investors of the other contracting party to a more favourable treatment than that provided for by the

present Agreement, such rules shall prevail over this agreement to the extent that they are more favourable.

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

3. Nothing in this Agreement shall affect the provisions laid down by international agreements in force on the date of its signature in relation to intellectual and industrial property rights.

Article 9. Subrogation

If a Contracting Party or its designated agency made a payment under an indemnity, guarantee or contract of insurance against non-commercial risks with regard to an investment by one of its investors in the territory of the other contracting party, the latter shall recognise the assignment of any such right or claim of the investor to former Contracting Party or its designated agency and the right of the former Contracting Party or its designated agency by subrogation to exercise such right or claim to the same extent as its predecessor in title. the subrogation will ensure that the first Contracting Party or its designated agency is direct beneficiary of any payment of compensation or other redress that might be entitled to the investor.

Article 10. 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 through diplomatic channels 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 arbitral tribunal.

3. The arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one arbitrator and these two arbitrators shall elect a President of the Court is a national of a third country. 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 arbitral tribunal.

4. If the necessary appointments have been made within the periods specified in paragraph 3 of this article, a 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 unable to perform this function for other purposes, it shall ask the Vice-President to make the necessary appointments. If the Vice-President is a national of one of the contracting parties or nor to perform this function would be encouraged to make the necessary appointments to the member of the International Court of Justice to continue in seniority who is not a national of any of the Parties contratantes.

5. The arbitral tribunal shall render its decision on the basis of respect for the laws and the provisions contained in this Agreement or in other agreements in force between the contracting parties, as well as of the generally accepted principles of international law.

6. Unless the Contracting Parties decide otherwise, the arbitral tribunal shall determine its own procedure.

7. The arbitral tribunal shall reach its decision by a majority of votes and that decision shall be final and binding on both contracting parties.

8. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings. the other expenses, including the President, shall be borne in equal parts by the two contracting parties.

Article 11. Disputes between Investors and a Contracting Party of the other Contracting Party

1. Any dispute which may arise between a Contracting Party and an investor of the other Contracting Party with regard to an investment in the sense of the present Agreement shall be notified by the investor, including detailed information in writing and to the first contracting party. To the extent possible, the Parties shall endeavour to settle the dispute amicably.

2. If these disputes cannot be settled amicably within six months from the date of the written notification mentioned in paragraph 1 shall be submitted, at the choice of the investor, be submitted: (1), may, at the choice of the investor, to:

The competent court of the Contracting Party in whose territory the investment has been made; or

A tribunal established ad hoc arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law; or

The International Centre for International Settlement Centre for Settlement of Investment Disputes) established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965, in case both contracting parties become Parties to this Convention. when a Contracting Party which is party in the dispute has not become a Contracting State to the Convention mentioned above, shall decide the dispute according to the rules of the additional facility for the administration of conciliation or arbitration proceedings and fact-finding ICSID.

3. The arbitration shall be based on:

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

The rules and the universally accepted principles of international law; and

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

4. A Contracting Party shall not assert as a defence that the investor has received or will receive a guarantee or under a contract of insurance, indemnification or other compensation for all or part of the damage in question.

5. The arbitral decisions shall be final and binding on the parties to the dispute. Each Contracting Party undertakes to execute the decisions in accordance with its national law.

Article 12. Scope

1. The provisions of this Agreement shall apply to all investments made before or after its entry into force by investors of one Contracting Party in the territory of the other contracting party.

2. The treatment granted under this Agreement shall not apply to matters of taxation.

Article 13. Entry Into Force , Duration and Termination

1. This Agreement shall enter into force on the date of the last written notification to which one of the Contracting Parties notifies the other contracting party through diplomatic channels, the fulfilment of its internal legal procedures required for its Entry into Force.

2. This Agreement shall remain in force for a period of ten years. its validity shall be automatically extended for consecutive periods of six months unless ten years before the expiration of the initial or any subsequent period, either Contracting Party notifies the other contracting party of its intention to denounce this Agreement.

3. With respect to investments made prior to the date of termination of this agreement its provisions shall continue to have effect for another period of ten years from such date of termination.

Done at Chişinău, on 11 May 2006, in two originals in English, Moldovan and English languages, all texts being equally authentic. in case of divergence of interpretation, the English text shall prevail.

For the Kingdom of Spain,

Juan Pablo garcía-berdoy cherry,

Spain

For the Republic of Moldova,

Valeriu Lazar

Ministry of Economy and Trade