AGREEMENT BETWEEN THE GOVERNMENT OF MALTA AND THE GOVERNMENT OF THE ITALIAN REPUBLIC RELATING TO ECONOMIC COOPERATION AND PROTECTION OF INVESTMENTS

The Government of Malta and the Government of the Italian Republic, in their firm desire to intensify the friendly relations existing between the two States and their peoples through the establishment of closer economic cooperation have agreed as follows:

Article 1.

The Contracting Parties shall cooperate in the development of their countries and to this end shall afford to each other to the extent that their legislation and resources permit such aid and facilities as may be necessary and possible in the economic field. On the basis and within the framework of this Agreement the Contracting Parties may conclude arrangements regarding individual projects of cooperation.

Article 2.

Where arrangements regarding individual projects of cooperation have been concluded in terms of Article 1, each Contracting Party shall grant to its nationals, foundations, associations or companies, on request, permission to invest in and to transfer capital, property, rights and interest for investment in the country of the other Party.

Each Contracting Party shall grant to its nationals, foundations, associations and companies, on request, permission to supply goods on the basis of deferred payments to State and private enterprises in the country of the other Party in accordance with the legislation in force in the country of the Party granting the permission.

Credits accruing from the said supply of goods may benefit from the guarantees contemplated by the laws in force in each of the two countries to the extent that such laws permit. The receiving country undertakes to authorise the transfer, in convertible currency, of each payment as it falls due to the creditor in the other country.

Article 3.

The nationals, foundations, associations or companies of each Contracting Party, having effected capital investments in the territory of the other Party, in convertible currency, with the aim of setting up or expanding an enterprise for the production of goods and services, shall be entitled to transfer, in equally convertible currency and without delay or restriction of amount, the dividends and profits, the capitals deriving from the eventual extension of the original enterprise, as well as the income consisting of salaries or other earnings from professional activities connected with any investment effected in the territory of the other Party.

As to the investments consisting in the supply of equipment for use in the enterprises defined in the first paragraph of this Article, the transfer of funds deriving from disinvestments will be allowed in convertible currency after a minimum delay of 2 years from the moment in which the investment has taken place.

Article 4.

The investments, effected by the nationals, foundations, associations or companies of one Contracting Party in the territory of the other, and the profits thereof, shall not be subject to any expropriation except in the public interest, and then only against payment of a compensation equal to the value of the expropriated property. Such compensation shall be payable without delay, and shall be immediately transferable in convertible currency, without limitation.

Article 5.

The investments effected by the nationals, foundations, associations or companies of one Contracting Party in the territory of the other, shall be granted conditions not less favourable than those applying to nationals, foundations, associations or companies of any third country, with the exception of advantages deriving from agreements setting up a Customs Union, from membership of a Currency Bloc or from agreements to avoid double taxation.

Article 6.

Any controversy arising about the interpretation and the execution of the present Agreement shall be settled through the normal diplomatic channels. In case of failure to reach an understanding, the controversy in question shall be referred to the decision of a court of arbitration. The court shall consist of three members, two of which are nominated by each one of the Parties respectively, and the third shall be chosen by the two other members and shall be a national of a third country having no part in the dispute.

If the two members fail to agree, the nomination of the third member shall be entrusted to the President of the International Court of Justice, or, in the case that the President is a national of one of the Contracting Parties or is for any other reason prevented from proceeding, to the vice-president.

Article 7.

The present Agreement shall become operative on the notification of each Contracting Party to the other that the constitutional prescriptions for its conclusion and entering into force have been complied with. It shall remain operative until six months from the date of a notice of denunciation by one of the Parties.

The termination of the present Agreement shall not invalidate contracts already concluded and guarantees already furnished within the framework of this Agreement.

Done at Valletta this Twenty-eighth day of July, One thousand Nine hundred and Sixty-seven, in two originals, in the English and Italian languages, both texts being equally authoritative.

G. BORG OLIVIER

For the Government of Malta

AMINTORE FANFANI

For the Government of the Italian Republic

Exchange of Notes

EMBASSY OF ITALY MALTA

28 July 1967

Excellence,

With reference to the Agreement for Economic Cooperation and Investment Protection between the Government of the Italian Republic and the Government of Malta, signed today, I wish to confirm that the Government of the Italian Republic, particularly interested in the development of Malta's economy, will facilitate and stimulate in any way, within the limits of Italian legislation and possibilities, any form of participation, including financial participation, by Italian companies in the implementation of development projects in Malta.

Please, Excellency, accept the assurances of my highest consideration.

AMINORE FANFANI Minister of Foreign Affairs

His Excellency Dr. G. Borg Olivier, Minister of Commonwealth Affairs and Foreign Affairs

Valletta.

MINISTRY OF COMMONWEALTH AND FOREIGN AFFAIRS

The Old Chancellery, Palace Square, Valletta.

28th July 1967.

Excellency,

I have the honour to acknowledge with thanks the receipt of your letter of today's date which, in agreed translation, reads as follows: "With reference to the Agreement between the Government of the Italian Republic and the Government of Malta relating to Economic Cooperation and Protection of Investments, bearing today's signature, I wish to confirm that the Government of the Italian Republic, being deeply interested in the development of the economy of Malta, will facilitate and stimulate in every way within the limits of Italian legislation and means, every kind of participation, including financing, by Italian enterprises towards the implementation of development projects in Malta."

Please accept, Excellency, the expression of my highest consideration.

G. BORG OLIVIER

Ministery

His Excellency Professor Amintore Fanfani, Minister for Foreign Affairs of the Italian Republic.