AGREEMENT BETWEEN THE REPUBLIC OF ITALY AND THE SOCIALIST REPUBLIC OF VIETNAM FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Italian Republic and the Government of the State of the Socialist Republic of Vietnam (hereinafter jointly referred to as the contracting States and individually, the Contracting Party and the Contracting State),

Desiring to create favourable conditions for greater economic co-operation between them and in particular for investments by investors of a Contracting State in the territory or maritime zones of the other Contracting State;

Recognising that the encouragement and reciprocal protection on the basis of international agreements, such investments will stimulate business initiative and increasing prosperity of both Contracting States,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement

1) The term "investment" includes all types of asset invested before or after the entry into force of this Agreement by a natural or legal person, including the Government of a Contracting State in the territory or maritime zones of the other Contracting State in accordance with the laws and regulations of the said State. without limiting the generality sus-mentionnée "" investment, the term includes:

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

b) Shareholders shares, bonds and debentures or other rights or interests in securities of companies, State;

c) Rights to money or to any other activity having an economic value associated with an investment;

d) Copyrights, trademarks, patents, industrial projects and other industrial property right, know-how, trade secrets, trade names and goodwill;

e) Any right conferred by law or under contract and any licences and concessions in accordance with the law, including the right to compri, mining exploration and exploitation of natural resources.

2) The term investor "includes any natural or legal person, including the Government of a Contracting State, who makes an investment in the territory or maritime zones of the other Contracting State.

3) The term "" natural person shall include, with reference to each of the Contracting States, a natural person who is a citizen of the State concerned, in accordance with its laws.

4) The term "" legal person shall include, with reference to each of the Contracting States, any entity having its headquarters in accordance with the law of the State and recognized as a legal person, public bodies, corporations, foundations, private companies, Governments, industries, institutions and organizations irrespective of whether their liabilities are limited or otherwise.

5) The term includes amounts "" proceeds obtained by an investment, including in particular, though not exclusively, interests, capital gains, profits, dividends, royalties or exploitation rights, remuneration.

6) The term "Maritime Zones" includes the marine and submarine areas over which the Contracting States shall, in accordance with international law, the sovereign rights of sovereignty and / or jurisdiction.

Article 2. Promotion and Protection of Investments

1) Each of the Contracting States shall encourage investors of the other Contracting State to make investments in its territory and its maritime areas and, in the exercise of powers conferred by its laws, permit such investments.

2) Each of the Contracting States will always a fair and equitable treatment to investments of investors of the other Contracting State. each Contracting State shall ensure that the management, maintenance, use, enjoyment or disposition of investments in its territory and its maritime areas by investors of the other Contracting State were in no way affected by unjustified or discriminatory measures.

3) Where necessary, the Contracting States shall hold regular consultations regarding the possibility to invest in the territory or maritime zones of the two Contracting States in the different sectors of the economy, in order to determine the sectors or investments of a Contracting State in the other may be more profitable in the interests of both contracting states.

Article 3. The Most-favoured-nation Clause

1) Each of the Contracting States, within the framework of its own territory and its maritime areas, shall accord to returns of investments and investors of the other Contracting State treatment no less favourable than that accorded to the returns of investments and investors of the most favoured nation.

2) Each Contracting State in the territory or maritime zones will set aside for investors of the other Contracting State, as regards the management, maintenance, use, enjoyment or their investments and activities associated with such investments, treatment no less favourable than that accorded to the investors of the most favoured nation.

3) The above-mentioned treatment shall not apply to benefits accorded to investors of a third country by both contracting States, based on the membership of that Contracting State to a customs union, a common market or a free economic zone, to exchange mutual assistance agreement has a regional or subregional international economic agreement, or on the basis of an agreement between a Contracting State and a third country to the avoidance of double taxation or frontier for facilitating trade.

Article 4. Compensation for Damage or Loss

1) When investments made by investors of either Contracting State suffer losses owing to war or other armed conflict or a state of national emergency or other similar events in the territory or maritime zones of the other Contracting State, they shall receive a fair and adequate compensation for the loss. such payments shall be freely transferable without undue delay.

2) Investors of either Contracting State shall enjoy, for matters which had provided for in this article of this Agreement, the same treatment to nationals of the Contracting State, or in any event, no less favourable than the treatment accorded to investors of a third country.

Article 5. Nationalisation or Expropriation

1)

(I) Investments of the two contracting States or their legal and natural persons shall not be subject to any permanent or temporary measure that restricts the right of ownership, possession, control and enjoyment of such investments, except for specific provisions of existing laws and DA order issued by a competent court.

(II) Investments of the two contracting States or their natural or legal persons are not directly or indirectly, expropriated or nationalized subjected to measures having effects equivalent to nationalization or expropriation in the territory or maritime zones of the two contracting States, except for public purposes in the national interest of that State, against an immediate, fair and adequate compensation and provided that such measures are taken on a non-discriminatory basis and in accordance with the ordinary legislative procedure.

(III) Such compensation shall be calculated on the basis of the actual value of the investment on the market immediately before the decision was announced expropriate or nationalize or made public and shall be determined in accordance with the principles of valuation accepted such as the market value. if the market value cannot be readily ascertained, the compensation shall be determined on the basis of equitable principles taking into account inter alia, of the capital invested, devaluation, capital, already repatriated replacement value, goodwill and other pertinents.inter Alia, capital invested, devaluation, capital, already repatriated replacement value, goodwill and other relevant factors.

The compensation corresponding comprendera interest to the interest rate of the current six-month LIBOR rate from the date of expropriation or nationalisation until the date of payment. in the absence of an agreement between the investor and the host country, the determination of such compensation shall be conducted in accordance with the procedures of balance in the sense of article 8 of this Agreement. the compensation shall be determined once reglé promptly and it will be repatriated.

(IV) If a Contracting State nationalize or expropriating investment of a juridical person authorized or with a seat in its territory and maritime area in accordance with the law in force in which the other contracting State or one of its natural or legal persons are holders of stocks, shares, debentures or other rights or interests, it will ensure a prompt, adequate and fair compensation which can be repatriated. the compensation shall be determined on the basis of valuation of the principles accepted as the measures on the market value immediately before the decision to expropriate or nationalize was announced or made public. the compensation comprendera an interest rate equivalent to the interest rate of the current six-month LIBOR rate from the date of expropriation or nationalisation until the date of payment.

2) The provisions of paragraph (1) of this article shall also apply to the benefits arising out of an investment flows and, in the event of liquidation, to the proceeds obtained from celle-ci.paragraphe (1) of this article shall also apply to the benefits arising out of an investment flows and, in the event of liquidation, to the proceeds obtained from it.

Article 6. Repatriation of Capital and Profits

1) Each Contracting State shall guarantee and without undue delay after the payment of all fiscal obligations, the transfer in any convertible currency of:

a) Net profits, dividends, royalties, expenditure on technical assistance and service, interest and other current proceeds accruing from any investment of an investor of the other Contracting State;

b) Payments arising from the total or partial sale or the total or partial liquidation of any investment made by an investor of a Contracting State;

c) Funds in repayment of loans;

d) Remuneration received by the nationals of the other Contracting State because of labour and services carried out in connection with an investment in its territory and maritime areas, in accordance with its national laws and regulations.

2) Without restricting the generality of Article 3 of this Agreement, the Contracting States undertake to accord to transfers referred to in paragraph (1) of this article treatment as favourable as that accorded to transfers related to investments made by a third country 3 of this Agreement, the Contracting States undertake to accord to transfers referred to in paragraph (1) of this article treatment as favourable as that accorded to transfers in respect of investments made by a third country.

Article 7. Subrogation

If a Contracting State shall grant a guarantee against non-commercial risks to an investment made by its investors in the territory or maritime zones of the other Contracting State and shall pay to such investors on the basis of the guarantee, the other Contracting State shall recognize the transfer of the right of such investors to the Contracting State and the former subrogation of the rights will not be in addition to the original investor. with regard to the transfer of payments to the Contracting State by virtue of subrogation, it shall be governed by articles 4, 5 and 6.

Article 8. Transfer Modalities

Any transfer referred to in articles 4, 5, 6 and 7 shall be made without delay and no later than six months after fulfillment of tax obligations. such transfer shall be made in the convertible currency at the rate of exchange in effect on the official rate on the date of transfer.

Article 9. Settlement of Disputes on Investments

1) All disputes or differences, including disputes relating to the amount of compensation payable in cases of expropriation, nationalization or similar measures, between an investor and a contracting State of the other Contracting State concerning an investment of that investor in the territory or maritime zones of the first Contracting State shall, as far as possible, be settled amicably.

2) If these disputes or controversies cannot be settled according to the provisions of paragraph (1) of this article, within a

period of six months from the date of application of regulation, the investor concerned may submit the dispute: paragraph (1) of this article, within a period of six months from the date of application of regulation, the investor concerned may submit the dispute to:

a) The competent court of the Contracting State for such decisions;

Or

b) They may begin conciliation or arbitration in accordance with the Rules of Arbitration of the International Trade Law of the United Nations Commission on International Trade Law 1976;

Or

c) It may initiate conciliation or arbitration procedures laid down by the Washington Convention of 18 March 1965 if and from the time or the Socialist Republic of Viet Nam will become signatories of this Convention.

3) Both Contracting States shall refrain from addressing through diplomatic channels any matter referred to arbitration until the proceedings are completed and that a Contracting State has obtemperé the ruling of the arbitral tribunal.

Article 10. Settlement of Disputes between the Contracting States

1) Disputes between the Contracting States with respect to the interpretation and application of this agreement should, as far as possible, be settled amicably through consultations between the two Contracting States through diplomatic channels.

2) If these disputes cannot be settled within a period of three months from the date on which either Contracting State has notified in writing to the other State, they will be submitted at the request of one of the two States, to an ad hoc arbitral tribunal in accordance with the provisions of this article.ad hoc in accordance with the provisions of this article.

3) The arbitral tribunal shall consist of the following way. each Contracting State shall appoint one member of the Tribunal within two months from the date of receipt of the request for arbitration. the two members shall then select a national of a third State, who shall act as Chairperson ci-de later called the Chair).

The Chairman shall be appointed within three months from the date of appointment of the other two members.

4) If within the periods specified in paragraph (3) of this article, either of the Contracting Parties has not appointed its arbitrator or if the two arbitrators have not reached an agreement on the préaident, it may apply to the President of the International Court of Justice to give the nomination.paragraphe (3) of this article, either of the Contracting Parties has not appointed its arbitrator or if the two arbitrators have not reached an agreement on the préaident, it may apply to the President of the International Court of Justice to make the appointment.

If there were to be a national of either contracting State or if he is unable to perform this task, the Vice President shall be invited to carry the appointment. if the Vice President is a national of either contracting State or if he is still unable to perform this function, the member of the International Court of Justice next in seniority seniority who is not a national of either Contracting State shall be invited to make the appointment.

5) The arbitral tribunal shall decide by a majority of votes. such decisions shall be binding. each Contracting State shall support the cost of its own arbitrator and the costs associated with its consultation during any arbitral proceedings. the costs related to the Chair and any remaining costs shall be equally supported by the two contracting States. the arbitral tribunal shall establish its own procedures.

Article 11. Relations between the Contracting States

The provisions contained in this Agreement shall apply irrespective of the existence of diplomatic or consular relations between the contracting States.

Article 12. Application of other Standards

1) If a claim is governed by this Agreement and by another international agreement to which both Contracting States, or by international law in general, this Agreement does not prevent either contracting States or one of its natural or legal persons who has made investments in the territory or maritime zones of the other Contracting State to receive standards which are more favourable to his case.

2) In the event that the treatment provided by a Contracting State in respect of investors of another Contracting State in

accordance with its laws and regulations or other specific provisions or contracts is more favourable than that provided for by the present Agreement, it is the most favourable treatment which is applied.

Article 13. Entry Into Force

This Agreement shall enter into force on the latter date on which either Contracting State notifies the other the fulfilment of constitutional procedures necessary for the entry into force of this Agreement.

Article 14. Duration and Echance

1) This Agreement shall remain in force for a period of 20 years and may be renewed for a period or equivalent periods unless one of the two Contracting States shall give notice in writing one year before its expiration.

2) In respect of investments made prior to the expiry date of this Agreement, the provisions of articles 1 to 12 shall remain in force for a further period of fifteen years from the date of expiry of the current accord.articles 1 to 12 shall remain in force for a further period of 15 years from the date on which this Agreement.

Done at Rome

On 18 May 1990 French-language.

For the Government of the Italian Republic

For the Government of the Socialist Republic of Viet Nam