

No. 23746

FINLAND. and BULGARIA

Agreement on mutual promotion and protection of investments.

Signed at Helsinki on 16 February 1984

Authentic texts: Finnish, Bulgarian and English.

Registered by Finland on 19 February 1986.

FINLANDE

Et

BULGARIE

Accord relatif a la promotion et a la protection reciproques des investissements. Signe a Helsinki le 16 fevrier 1984

Textes authentiques: finnois, bulgare et anglais. Enregistre par la Finlande le 19 fevrier 1986.

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1986

**AGREEMENT 1 BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
FINLAND AND THE GOVERNMENT OF THE PEOPLES REPUBLIC OF
BULGARIA ON MUTUAL PROMOTION AND PROTECTION OF
INVESTMENTS**

The Government of the Republic of Finland and the Government of the Peoples Republic of Bulgaria,

Desiring to expand and develop their mutual relations in the fields of economic, industrial, scientific and technological

cooperation on a long-term basis,

Having as their objective the creation of favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Acting in the spirit of the Final Act of the Conference on Security and Cooperation in Europe 2,

Have agreed upon the following:

Article 1.

For the purposes of this Agreement:

1. The term investment comprises funds, rights and properties which are connected with participation in enterprises and with joint economic activities, and in particular:

- a) Property rights and other real rights;
- b) Outstanding claims and rights having economic value;
- c) Copyrights, rights of industrial property (inventions, trade marks, commercial names, technical methods, know-how and others).

These investments shall be made in compliance with the laws and regulations of the relevant Contracting Party.

A possible change of the form in which the investments have been made does not affect their substance as investments, provided that such a change does not contradict the laws of the relevant Contracting Party.

2. The term income means those net amounts received from the investments for a certain period of time, such as share of profits, liquidation quotas and amounts from their sales.

3. The term investor means:

- a) With respect to the Peoples Republic of Bulgaria: juridical persons with a seat in the territory of the Peoples Republic of Bulgaria who, according to the Bulgarian legislation, are involved in economic activities;
- b) With respect to the Republic of Finland: nationals and enterprises operating in compliance with the Finnish legislation.

1 Came into force on 16 July 1985, i.

e. , 30 days after the date on which the Contracting Parties had notified each other (on 17 June 1985) of the completion of the constitutional requirements, in accordance with article 8 (1).

2 International Legal Materials, vol. 14 (1975), p. 1292 (American Society of International Law).

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Article 2.

1. Each Contracting Party shall, subject to its laws and regulations, at all times ensure fair and equitable treatment to the investments of investors of the other Contracting Party.

2. Investments by investors of either Contracting Party in the territory of the other Contracting Party shall not be subjected to a treatment less favourable than that accorded to investments by investors of third States.

3. Notwithstanding the provisions of paragraph 2 of this Article, a Contracting Party which has concluded with one or more other States an agreement regarding the formation of a customs union, a free-trade area, any other comprehensive agreement on economic integration and cooperation, or any international agreement relating to taxation, shall be free to

grant a more favourable treatment to investments by investors of the State or States which are also Parties to such an agreement. A Contracting Party shall also be free to grant a more favourable treatment to investments by investors of other States, if this is stipuated under bilateral agreements concluded with such States before the date of signature of this Agreement.

4. In cases of reinvestment, the incomes ensuing therefrom enjoy the same protection as do the major investments.

Article 3.

1. The investments under Article 1 enjoy protection and security in the territory of the other Contracting Party, in compliance with the relevant legal provisions of that Contracting Party.

2. Each Contracting Party may expropriate investments made under the present Agreement only for state and public needs, in compliance with the legally established procedure, against compensation, in a non-discriminatory manner.

3. The amount of the compensation must correspond to the value of the expropriated investments at the moment of the expropriation.

4. The compensation must be paid without delay upon completion of the legal expropriation procedure, but not later than three months upon completion of this procedure and it must be able to be transferred in the freely convertible currency in which the investment had been made.

5. The amount of this compensation may be checked in the order provided for in the legislation of the country where the expropriation is made.

6. Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to natural calamity, state of emergency or disaster, war or other armed conflict in the territory of the other Contracting Party, shall be treated with respect to the compensations for these losses as investors of third countries who enjoy the most-favoured-nation treatment.

Article 4.

1. In compliance with its legal regulations in force, either Contracting Party will permit to the investors of the other Contracting Party the transfer of any convertible currency in which the income from the investments is obtained. The same concerns the proceeds of the total or partial liquidation of the investments.

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2. The transfer will be made within a span of time which is usually required for the observance of all formalities in transfer of amounts, and which starts running from the day on which the request for the transfer has been made.

3. Transfers of funds in repayment of borrowings by investors of the Contracting Party from investors of the other Contracting Party which both Contracting Parties have recognized as investments are regulated by other relevant currency regulations of the Contracting Parties.

Article 5.

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement should, if possible, be settled through diplomatic channels.

2. If the dispute cannot thus be settled, it may, upon the mutual consent of the Contracting Parties, be submitted to arbitration in accordance with the following procedure:

a) An arbitration panel consisting of three arbitrators shall be established. Each disputing Party shall designate one arbitrator and two thus designated arbitrators shall appoint the third arbitrator, who shall be the Chairman. The Chairman shall not be a national of a Contracting Party.

b) Each Party shall designate its arbitrator within two months after agreement has been reached on the submission of the

dispute to arbitration, and the Chairman shall be appointed by the arbitrators within three months after such an agreement. If the latter time limit has not been complied with, and the Parties to the dispute have not agreed on another designation procedure, any disputing Party may request the Secretariat of the United Nations to designate the Chairman.

c) The arbitration panel shall take its decision by simple majority. The decisions of the arbitration panel shall be binding on the parties to the dispute.

d) The arbitration panel shall adopt its own rules of procedure. The arbitration panel decides on its place of assembly, and conducts the arbitration in the English language. The costs of the arbitration shall be shared equally between the Parties to the dispute.

Article 6.

The representatives of the Contracting Parties shall, whenever needed, hold meetings in order to review the implementation of this Agreement. These meetings shall be held on the proposal of one of the Contracting Parties at a place and at a time agreed upon through diplomatic channels.

Article 7.

The provisions of this Agreement also cover investments made in the territory of either Contracting Party by the investors of the other Contracting Party since January 1, 1950.

Article 8.

1. This Agreement shall enter into force thirty days after the date on which the Contracting Parties have notified each other that the constitutional requirements for the entry into force of this Agreement have been fulfilled.

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2. This Agreement is concluded for a period of 10 years. Its validity shall be extended for an indefinite period of time unless either Contracting Party notifies at least 6 months prior to its expiry to the other Contracting Party in writing its decision to terminate the Agreement. The termination shall become effective one year after the notification has been received by the other Contracting Party.

3. In respect of investments made prior to the date when the termination of this Agreement becomes effective, the provisions of this Agreement remain in force for a further period of 15 years from that date.

Done at Helsinki on February 16, 1984, in three originals in the Finnish, Bulgarian and English language, all being equally authentic. In case of dispute, the original in the English language shall prevail.

For the Government of the Republic of Finland:

Paavo Vayrynen

For the Government of the Peoples Republic of Bulgaria: Petar Mladenov

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