

Agreement between the Republic of Austria and Romania on the mutual promotion and protection of investments

THE REPUBLIC OF AUSTRIA AND ROMANIA, hereinafter referred to as 'Contracting Parties'

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

RECOGNIZING that the promotion and protection of investments can strengthen the willingness to undertake such investments and thereby 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" means all assets which an investor of a Contracting Party invests in the territory of the other Contracting Party in accordance with its legislation, and in particular but not exclusively:

- a) Ownership of movable and immovable property and other rights in rem, such as mortgages, rights of liens, liens, rights of use and similar rights;
- b) Shares, securities as well as share rights and other types of participations in companies;
- c) Entitlements to money or benefits, thereby creating an economic or financial value;
- d) Intellectual property, in particular industrial property rights, including copyrights, inventor's patents, trademarks, industrial designs and technical procedures, know-how, trade names and goodwill;
- e) Public-law concessions for the exploration, extraction or extraction of natural resources;
- f) Reinvested profits;

(2) The term "investor"

- a) Any natural person having the nationality of one of the contracting parties in accordance with its legislation and making an investment in the territory of the other Contracting Party;
- b) Any legal person or partnership created in accordance with the legislation of a Contracting Party has its seat in the territory of that Contracting Party and makes an investment in the territory of the other Contracting Party;
- c) Any legal person or partnership created in accordance with the legislation of any Contracting Party or a third State in which a investor referred to in (a) or (b) has a significant influence;

(3) The term "income" means the amounts that an investment provides and, in particular, but not exclusively, profits, interest, capital gains, dividends, royalties, royalties and other charges;

(4) The term "territory" shall mean the territory of the Contracting Parties, including territorial waters, as well as the exclusive economic zone through which the relevant Contracting Party shall exercise sovereignty, sovereign rights or jurisdiction in accordance with international and national law.

Article 2. Promotion and Protection of Investment

(1) Each Contracting Party shall promote investment in its territory by investors of the other Contracting Parties and shall allow such investment in accordance with its legislation.

(2) Investments referred to in Article 1 (1) and their income shall enjoy the full protection of this Agreement. The same shall apply, irrespective of the provisions of paragraph 1, in the event of a re-assessment of the income also for its income. The extension or modification of an investment shall be made in accordance with the legislation of the Contracting Party in whose territory the investment is made. Paragraph 1 and its income shall enjoy the full protection of this Agreement. The same shall apply, irrespective of the provisions of paragraph 1, in the event of a re-assessment of the income also for its income. The extension or modification of an investment shall be made in accordance with the legislation of the Contracting Party in whose territory the investment is made.

(3) Each Contracting Party undertakes to ensure on its territory a fair and equitable treatment of investments by investors of the other Contracting Parties. No party to the agreement will be affected by unjustified, arbitrary or discriminatory measures to affect the management, maintenance, use or right of disposal of such investments.

Article 3. Treatment of Investment

(1) Each Contracting Party treats investors of the other Contracting Parties and their investments as well as their own investors and their investments or investors of third States and their investments.

(2) The provisions referred to in paragraph 1 can not be construed as requiring a contracting party to grant to the investors of the other Contracting Parties and their investments the present or future advantage of any treatment, preference or privilege which may arise under paragraph 1. May be interpreted as requiring a Contracting Party to grant to the investors of the other Contracting Parties and their investments the present or future advantage of any treatment, preference or privilege which arises

a) A customs union, a common market, a free trade area or membership of an economic community;

b) An international agreement, an intergovernmental agreement or domestic legislation on tax issues;

c) Border traffic.

Article 4. Compensation

(1) The term "expropriation" also includes nationalization or any other measure having equivalent effect.

(2) Investments by investors of a Contracting Party may be expropriated in the territory of the other Contracting Parties only in the public interest, on the basis of a legal procedure and against compensation.

(3) The compensation must correspond to the value of the investment immediately before the date on which the actual or imminent expropriation became public. The compensation shall be paid without undue delay and shall be payable until the date of payment at the usual bank rate of the country in which the investment was carried out; It must be in freely convertible currency and freely transferable. At the latest at the time of expropriation, appropriate provisions must be made for the setting and performance of the compensation.

(4) Where a Contracting Party acquires the assets of a company which is to be regarded as a company of that Contracting Party pursuant to Article 1 (2) of this Agreement and in which an investor of the other Contracting Party has share rights it shall apply the provisions of paragraph 2 in such a way that the (2) of this Agreement is to be regarded as a company of that Contracting Party and in which an investor of the other Contracting Party has share rights, it shall apply the provisions of paragraph 2 in such a way as to ensure the appropriate compensation of that investor.

(5) The investor has the right to have the legality of the expropriation reviewed by the competent organs of the contracting party which caused the expropriation.

(6) The investor has the right to have the amount of the compensation and the payment arrangements reviewed by either the competent organs of the contracting party which caused the expropriation or by an international arbitration court pursuant to Article 8 of this Agreement. Article 8 of this Agreement.

(7) Investors in a Contracting Party who suffer losses in their investments in the territory of the other Contracting Parties through war, other armed conflicts, exceptional circumstances or other comparable events shall be treated no less favorably by the other Contracting Party in respect of all measures which it takes in this regard. Investors or investors of third countries.

Article 5. Transfer

(1) Each Contracting Party guarantees investors of the other Contracting Parties without undue delay the free transfer in freely convertible currency of the payments connected with an investment, in particular but not exclusively,

- a) Of income;
- b) Repayment of loans;
- c) Of the proceeds in case of complete or partial liquidation or disposal of the investment;
- d) Compensation referred to in Article 4 of this Agreement. Article 4 of this Agreement.

(2) Payments shall be made in the convertible currency in which the investment was made or in any other freely convertible currency to which the parties have agreed. They are made at the exchange rates applicable on the day of the transfer payment in the territory of the Contracting Party from which the transfer is made.

(3) The exchange rates shall be determined in accordance with the quotations on the stock exchanges located in the territory of each Contracting Party or, in a subsidiary manner, by the respective banking system in the territory of each of the Contracting Parties.

(4) If, in connection with the said Agreement, one of the two Contracting Parties is charged for the transfer in accordance with Article 5 of the Agreement, they shall be so constituted as not to be contrary to the principle of free transfer and, in any event, , Which are collected for transfer payments from other foreign investors. Article 5 of the Agreement shall be such that the amount of such transfer shall not be contrary to the principle of free transfer and, in any event, shall not be higher than charges collected for transfer payments from other foreign investors ,

Article 6. Subrogation

Where a Contracting Party or an institution empowered by it provides payments to its investor on the basis of a guarantee for an investment in the territory of the other Contracting Party, that other Contracting Party shall recognize the rights of the investor of the first Contracting Party referred to in Article 8 of this Agreement and of the rights of the former Contracting Party pursuant to Article 9 of this Agreement, transfer of all rights or claims of this investor by law or by virtue of a legal transaction to the former Contracting Party. Furthermore, the other Contracting Party shall recognize the entry of the former Contracting Party into all such rights or claims as may be exercised by the former Contracting Party to the same extent as its predecessor. Article 4 and Article 5 of this Agreement shall apply mutatis mutandis to the transfer of payments to the Contracting Party in question on the basis of the rights transferred.

Article 7. Other Obligations

(1) Where, under the law of a Contracting Party or international obligations which exist between the Contracting Parties or which are established in the future, a general or specific rule whereby the investments made by the investors of the other Contracting Parties shall be accorded more favorable treatment than under this Agreement The provisions of this Agreement shall apply to the present Agreement in so far as it is more favorable.

(2) Each Contracting Party shall comply with any contractual obligation which it has assumed in respect of investments made in its territory by an investor of the other Contracting Party.

Article 8. Settlement of Investment Disputes between the Investor and a Contracting Party

(1) If disputes arise from an investment between an investor of a contracting party and the other contracting party, the parties shall, as far as possible, be amicably settled between the parties.

(2) If a disagreement in accordance with paragraph 1 can not be formally expressed within three months from a written communication of sufficiently definite claims, the following shall be submitted to the following bodies at the choice of the investor: Paragraph 1 shall not be amicably settled within three months from a written communication of sufficiently specific claims The choice of the investor will be submitted to the following authorities:

- a) A mutually agreed upon arbitration or
- b) The national authorities of the Contracting Party in whose territory the investment was made, or
- c) The International Center for the Settlement of Investment Disputes established by the Convention on the Settlement of

Investment Disputes between the States and Nationals of Other States, which was opened for signature in Washington on March 18, 1965.

(3) The arbitration award shall be final and binding; It is enforced under national law; Each Contracting Party shall ensure the recognition and enforcement of the arbitration award in accordance with its relevant legislation.

(4) A Contracting Party which is a party to the dispute shall not make any objection at any stage of the settlement or arbitration proceedings or the enforcement of an arbitration award that the investor forming the other Contracting Party shall be indemnified for any or all of its losses on the basis of a guarantee or an insurance contract have received.

Article 9. Settlement of Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by friendly negotiations.

(2) If a disagreement in accordance with paragraph 1 can not be formally discharged within six months, it shall be submitted to an arbitration tribunal at the request of one of the Contracting Parties. If paragraph 1 is not amicably agreed within six months, it shall be submitted to an arbitration tribunal at the request of one of the contracting parties.

(3) The arbitral tribunal shall be formed on a case-by-case basis, by appointing a member to each of the parties to the contract, and both members agreeing to a third person as chairman. These members are to be appointed by the chairman within a further two months within two months after the one party to the agreement has informed the other party to the agreement that it wishes to submit the dispute to an arbitral tribunal.

(4) If the deadlines set out in paragraph 3 are not met, in the absence of any other agreement, each Contracting Party may ask the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice has the nationality of one of the Contracting Parties or if he is prevented from exercising this function for any other reason, the Vice - President, or, if he is unable to do so, the member of the International Court of Justice, Prerequisites are invited to make the appointments. From 3 stipulated deadlines, in the absence of any other agreement, each contracting party may ask the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice has the nationality of one of the Contracting Parties or if he is prevented from exercising this function for any other reason, the Vice - President, or, if he is unable to do so, the member of the International Court of Justice, Prerequisites to make the appointments.

(5) The arbitral tribunal shall decide its own rules of procedure.

(6) The arbitral tribunal shall decide on the basis of this Agreement as well as on the basis of generally accepted rules of international law. It decides with multiple votes; The arbitration award shall be final and binding.

(7) Each Contracting Party shall bear the costs of its member and its legal representation in the arbitration proceedings. The costs of the chairman and the other costs are borne equally by the two contracting parties. The arbitral tribunal may however, in its arbitral award, adopt a different cost arrangement.

Article 10. Application of the Agreement

This Agreement shall apply to investments made or to be carried out by investors of one Contracting Party in accordance with the laws of the other Contracting Parties in their territory, both before and after the entry into force of this Agreement. However, it shall not apply to disputes pending before its entry into force which, pursuant to the provisions of the Treaty between the Republic of Austria and the Socialist Republic of Romania concerning mutual assistance, Should be provided.

Article 11. Entry Into Force and Duration

(1) This Agreement shall be ratified and shall enter into force on the first day of the third month following the date on which the instruments of ratification have been exchanged. With effect from the date of its entry into force, the Agreement between the Republic of Austria and the Socialist Republic of Romania on mutual assistance and safeguarding and mutual protection of investments of 30 September 1976 shall cease to be in force.

(2) The Agreement shall remain in force for ten years; After which it shall be extended indefinitely, and may be terminated in writing by any Contracting Party by giving twelve months' notice in writing by diplomatic means.

(3) For investments made up to the date of the expiry of this Agreement, Articles 1 to 10 of this Agreement shall continue to apply for a further period of 10 years from the date of expiry of the Agreement. Articles 1 to 10 of this Agreement for a

further ten years from the date of the expiry of this Agreement Of the Agreement.

DONE at Bucharest, this 15 May 1996, in two originals, each in the Romanian and German languages, both texts being equally authentic.

For the Republic of Austria:

Dr. Paul Ullmann m. p.

For Romania:

Florin Georgescu m. p.