

AGREEMENT BETWEEN THE GOVERNMENT OF THE SULTANATE OF OMAN AND THE GOVERNMENT OF HUNGARY FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Sultanate of Oman and the Government of Hungary (hereinafter referred to as the "Contracting Parties");

Desiring to expand and strengthen the existing economic cooperation to the mutual benefit of both Contracting Parties;

Intending to create and maintain favourable conditions for Investments of Investors of one Contracting Party in the Territory of the other Contracting Party;

Recognizing that these objectives should be achieved in a manner consistent with the promotion and protection of public health, environment, security, safety, and sustainable development as well as with the promotion of internationally recognized labour rights and principles of corporate social responsibility;

Desiring to secure an overall balance of rights and obligations between Investors and the host state; and;

Realising that the promotion and reciprocal protection of Investments, according to the present Agreement, stimulates the business initiatives between the Contracting Parties in the interest of their economic development;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "Investment" shall comprise of every kind of asset owned or controlled by an Investor of one Contracting Party in the Territory of the other Contracting Party in connection with economic activities pursuant to the laws and regulations of the latter and has the characteristics of an investment, such as the commitment of capital or other resources, the expectation of gain or profit and the assumption of risk and shall include, in particular, though not exclusively:

(a) movable and immovable property as well as any other rights in rem such as mortgages, liens and pledges;

(b) shares, stocks and any other form of equity participation in a company;

(c) bonds, debentures, loans and other forms of debt;

(d) turnkey, construction, management, production, revenue-sharing, and other similar contracts;

(e) claims to money or to any performance having an economic value associated with an Investment;

(f) intellectual and industrial property rights, including copyrights, trade marks, patents, designs, rights of breeders and new varieties of plants, technical processes, trade secrets, geographical indications and trade names associated with an Investment; and

(g) rights conferred pursuant to laws or contracts such as concessions, licenses, authorizations and permits, including those for the exploration, extraction, refining, production, storage, transport, transmission, and distribution of natural resources.

Any alteration of the form in which assets are invested shall not affect their character as an Investment on the condition that this alteration is made in accordance with the laws and regulations of the Contracting Party in the Territory of which the Investment has been made.

2. The term "Investor" shall mean any Natural Person or Legal Person of one Contracting Party that has made an Investment in the Territory of the other Contracting Party;

3. The term "Natural Person" shall mean any individual having the nationality of either Contracting Party in accordance with its laws;
4. The term "Legal Person" shall mean with respect to either Contracting Party, any legal entity that is incorporated or constituted in accordance with its laws, has its central administration or principal place of business in the Territory of one Contracting Party, and carries out business activities in that Territory, whether privately or state-owned.
5. The term "Returns" shall mean amounts yielded by an Investment and includes in particular, though not exclusively, profits, interest, capital gains, dividends, royalties or fees.
6. The term "Territory" shall mean:
 - (a) in the case of the Sultanate of Oman, the land, internal waters, territorial sea, air space under its sovereignty, and maritime areas, namely, the exclusive economic zone and the continental shelf, where the Sultanate of Oman exercises sovereign rights or jurisdiction in accordance with its domestic laws and the provisions of international law
 - (b) in the case of Hungary, the territory over which Hungary exercises, in conformity with international law, sovereignty, sovereign rights or jurisdiction.
7. The term "Freely Convertible Currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets provided it is not contrary to the regulations of either of the Contracting Parties, and independently from how the International Monetary Fund determines the scope of freely convertible, or freely usable currency.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favourable conditions for Investors of the other Contracting Party to make Investments in its Territory and shall admit such Investments in accordance with its laws and regulations.
 2. Each Contracting Party shall accord in its Territory to Investments of the other Contracting Party and to Investors, with respect to their Investments, fair and equitable treatment and full protection and security in accordance with paragraphs 3 through 6 of this Article.
 3. With respect to Investments, the following measures or series of measures constitute a breach of the obligation of fair and equitable treatment:
 - (a) denial of justice in criminal, civil or administrative proceedings;
 - (b) fundamental breach of due process, including a fundamental breach of transparency and obstacles to effective access to justice, in judicial and administrative proceedings,
 - (c) manifest arbitrariness,
 - (d) targeted discrimination on manifestly wrongful grounds, such as gender, race or religious belief, or
 - (e) harassment, coercion or abuse of power.
- Upon request of a Contracting Party, the Contracting Parties may review the content of the obligation to provide fair and equitable treatment to reflect what is required under customary international law.
4. For greater certainty, "full protection and security" refers to the Contracting Party's obligations to provide the physical security of Investors and Investments.
 5. A breach of another provision of this Agreement or of a separate international agreement does not establish a breach of this Article.
 6. The fact that a measure breaches domestic law does not, in and of itself, establish a breach of this Article; a tribunal must consider whether a Contracting Party has acted inconsistently with the obligations in paragraph 2 of this Article.
 7. The Contracting Parties recognise that it is inappropriate to encourage investment by relaxing domestic core labour standards, public health, safety or environmental measures. They shall not waive or otherwise derogate from or offer to waive or otherwise derogate from, such measures as encouragement for the establishment, acquisition, expansion or retention in their territories, of an Investment.

Article 3. Investment and Regulatory Measures

1. The provisions of this Agreement shall not affect the right of the Contracting Parties to regulate in a non-discriminatory manner within their Territories through measures necessary to achieve legitimate policy objectives, such as the protection of public health, safety, environment and social or consumer protection.
2. The mere fact that a Contracting Party regulates, including through a modification to its laws and regulations, in a manner which negatively affects an Investment or interferes with an Investor's expectations of profits, does not necessarily amount to a breach of an obligation under this Agreement.
3. For greater certainty, a Contracting Party's decision not to issue, renew or maintain a subsidy
 - (a) in the absence of any specific commitment under law or contract to issue, renew or maintain that subsidy; or
 - (b) in accordance with terms or conditions attached to the issuance, renewal or maintenance of the subsidy,does not constitute a breach of the provisions of this Agreement.
4. Nothing in this Agreement shall be construed as preventing a Contracting Party from discontinuing the granting of a subsidy or requesting its reimbursement or requiring that Contracting Party to compensate the Investor, where such measure is necessary in order to comply with international obligations between the Contracting Parties or has been ordered by a competent court, administrative tribunal or any authority of similar nature.

Article 4. National and Most-Favoured-Nation Treatment

1. Each Contracting Party shall in its Territory accord to an Investor of the other Contracting Party and to an Investment, treatment not less favourable than the treatment it accords, in like circumstances, to its own Investors and their Investments with respect to the conduct, operation, management, maintenance, use, enjoyment and sale or disposal of their Investments in its Territory.
2. A Contracting Party shall not be obliged to accord to the Investors of the other Contracting Party the same treatment they accord to their own Investors with regards to the acquisition of ownership of lands and real estate, and obtaining grants and soft loans.
3. Each Contracting Party shall in its Territory accord to Investors of the other Contracting Party and their Investments treatment no less favourable than that it accords, in like circumstances, to investors of a third country or to their Investments with respect to the conduct, operation, management, maintenance, use, enjoyment and sale or disposal of their Investments in its Territory.
4. For greater certainty, the "treatment" referred to in paragraph 3 of this Article does not include procedures for the resolution of investment disputes between Investors and states provided for in other international investment treaties and any other agreements. Substantive obligations in other international investment treaties and other trade agreements do not in themselves constitute "treatment", and thus cannot give rise to a breach of this Article, absent measures adopted or maintained by a Contracting Party pursuant to those obligations.
5. The national treatment and most-favoured-nation treatment provisions of this Agreement shall not apply to advantages accorded by a Contracting Party pursuant to its obligations as a member of a present or future customs, economic, or monetary union, a common market or a free trade area.
6. The Contracting Parties understand the obligations of a Contracting Party as a member of a customs, economic, or monetary union, a common market or a free trade area to include obligations arising out of an international agreement or reciprocity arrangement of that customs, economic, or monetary union, common market or free trade area.
7. The provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the Investors of the other Contracting Party, or to the Investments or Returns of Investments of such Investors the benefit of any treatment, preference or privilege, which may be extended by the former Contracting Party by virtue of:
 - (a) any forms of multilateral agreements on investments to which either of the Contracting Parties is or may become a party; or
 - (b) any international agreement or arrangement relating wholly or mainly to taxation.

Article 5. Compensation for Losses

1. When Investments or Returns of Investments of Investors of either Contracting Party suffer losses owing to war, armed conflict, a state of national emergency, revolt, insurrection, riot or other similar events in the Territory of the other Contracting Party, they shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favourable than that which the latter Contracting Party accords, in like circumstances, to its own Investors or to investors of any third state whichever is more favourable.

2. Without prejudice to paragraph 1 of this Article, Investors of one Contracting Party who in any of the events referred to in that paragraph suffer losses in the Territory of the other Contracting Party resulting from:

(a) requisitioning of their Investment or a part thereof by its forces or authorities; or

(b) destruction of their Investment or a part thereof by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

shall be accorded by the Contracting Party, in whose Territory the losses occurred, prompt, adequate and effective compensation or restitution without undue delay.

Article 6. Expropriation

1. Neither Contracting Party shall in its Territory expropriate or nationalise Investments of Investors of the other Contracting Party either directly or through measures equivalent to expropriation (hereinafter referred to as "expropriation" except:

(a) for a public interest;

(b) in a non-discriminatory manner;

(c) upon payment of prompt, adequate, and effective compensation in accordance with this Article: and

(d) under due process of law.

2. The compensation referred to in paragraph 1(c) of this Article shall:

(a) be paid without delay and freely transferable in a Freely Convertible Currency;

(b) be equivalent to the market value of the expropriated Investment immediately before the expropriation took place ("the date of expropriation"), and

(c) not reflect any change in value occurring because the intended expropriation had become known earlier.

3. The compensation shall include interest calculated on 6 (six) months LIBOR basis from the date of expropriation to the date of actual payment and shall be effectively realisable and freely transferable in a Freely Convertible Currency at the market exchange rate prevailing on the time of transfer

4. For the purpose of this Article:

(a) Measures equivalent to expropriation ("indirect expropriation") result from a measure or series of measures of a Contracting Party having an equivalent effect to direct expropriation without formal transfer of title or outright seizure;

(b) the determination of whether a measure or series of measures by a Contracting Party, in a given specific situation, constitute an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors: (i) the economic impact of the measure or series of measures, although the sole fact that a measure or series of measures of a Contracting Party have an adverse effect on the economic value of an Investment does not establish that an indirect expropriation has occurred, (ii) the duration of the measure or series of measures by a Contracting Party, (iii) the character of the measure or series of measures, mainly their object and content; and

(c) non-discriminatory measures that the Contracting Parties take for reason of public interest including for reasons of public health, safety, and environmental protection, which are taken in good faith and which are neither arbitrary nor disproportionate in light of their purpose, shall not constitute indirect expropriation.

5. The Investor affected shall have a right, pursuant to the law of the expropriating Contracting Party, to prompt review of its claim and of the valuation of its Investment, by a judicial or other competent authority of that Contracting Party, in accordance with the principles set out in this Article.

Article 7. Transfers

1. The Contracting Parties shall guarantee the free transfer of payments related to Investments and Returns. The transfers shall be made in a Freely Convertible Currency and in accordance with the laws and regulations of the Contracting Party where Investments were made without any restriction or undue delay. Such transfers shall include in particular:

(a) capital and additional amounts to maintain or increase the Investment,

(b) Returns as defined in paragraph 3 of Article 1 of this Agreement,

(c) the amounts required for payment of expenses which arise from the operation of the Investment, such as payment of royalties and license fees or other similar expenses;

(d) payments made under contracts, including payments in connection with loan agreements:

(e) proceeds of the total or partial sale or liquidation of the Investment,

(f) earnings and remunerations of Natural Persons of the other Contracting Party and Natural Persons of any other third state who are allowed to engage in activities related to Investments made in its Territory;

(g) compensations owed pursuant to Articles 5 and 6 of this Agreement, and

(h) payments arising out of settlement of a dispute under Article 10 of this Agreement.

2. The transfers shall be made after the Investor fulfilled all of its related financial obligations according to the laws in force of the Contracting Party in the Territory of which the Investment was made.

3. Nothing in this Article shall be construed to prevent a Contracting Party from delaying or preventing a transfer through the equitable, non-discriminatory, and good-faith application of its laws relating to:

(a) bankruptcy, insolvency or protection of the rights of creditors;

(b) issuing, trading or dealing in securities, futures, options or derivatives;

(c) criminal or penal offences;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or

(e) ensuring compliance with orders or judgements in adjudicatory proceedings.

4. For the purpose of this Agreement, the transfer shall be made in a Freely Convertible Currency at the market exchange rate prevailing at the time of the transfer unless otherwise agreed. Should such rate not exist, the official rate has to be applied unless otherwise agreed.

Article 8. Subrogation

1. If a Contracting Party or its designated agency makes a payment to its own Investors under a guarantee, an indemnity or insurance it has accorded in respect of an Investment in the Territory of the other Contracting Party, the latter Contracting Party shall recognize:

(a) the assignment, whether under the law or pursuant to a legal transaction in that Contracting Party, of any right or claim by the Investor to the former Contracting Party or its designated agency, as well as,

(b) that the former Contracting Party or its designated agency is entitled by virtue of subrogation to exercise the rights and enforce the claims of that Investor including those mentioned in Article 10 on the Settlement of Investment Disputes between the Contracting Party and an Investor of the Other Contracting Party and shall assume the obligations related to the Investment.

2. The subrogated rights or claims shall not exceed the original rights or claims of the Investor.

Article 9. Entry of Key Personnel

Each Contracting Party shall, in accordance with its laws, facilitate granting Investors of the other Contracting Party and to their key personnel whose work is connected with the Investments, such as those in a capacity that is high managerial or executive or requires specialized knowledge the necessary permits for the entry, sojourn and work.

Article 10. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any dispute which may arise between an Investor of one Contracting Party and the other Contracting Party concerning an alleged breach of this Agreement in the Territory of that other Contracting Party shall, if possible, be settled amicably by negotiations between the parties in dispute.

2. The negotiations start on the date when the disputing Investor of one Contracting Party requests negotiations in written notification from the other Contracting Party. In order to facilitate the amicable settlement of the dispute, the written notice shall specify the issues, the factual basis of the dispute, the findings of the disputing Investor (including any supporting documents) and their presumed legal basis. Unless otherwise agreed, at least one consultation shall be held within 90 (ninety) days from the date on which the disputing Investor of one Contracting Party has requested negotiations from the other Contracting Party in written notification.

3. If any dispute between an Investor of one Contracting Party and the other Contracting Party cannot be thus settled within a period of 6 (six) months following the date on which such negotiations were requested by written notification, the Investor shall be entitled to submit the dispute either to:

(a) the competent court of the Contracting Party in the Territory of which the Investment has been made;

(b) the International Centre for Settlement of Investment Disputes (ICSID) pursuant to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D.C. on 18 March 1965, in the event both Contracting Parties are a party to this Convention,

(c) an ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to deviate from these Arbitration Rules;

(d) international arbitration under the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes ("Additional Facility Rules of ICSID"), provided that either the disputing Contracting Party or the Contracting Party of the Investor, but not both, is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington D. C. on March 18, 1965; or

(e) any other form of dispute settlement agreed upon by the parties to the dispute.

4. Once a dispute has been submitted to one of the tribunals mentioned in paragraph 3 (b) - (e) of this Article, the Investor shall have no right to submit the dispute to other settlement mechanism.

In the event that an Investment dispute has been submitted under paragraph 3 (a) of this Article, any arbitration or other form of dispute settlement set forth in paragraph 3 (b) - (e) of this Article can be sought only if the disputing Investor withdraws, in accordance with the laws and regulations of the disputing Contracting Party, its claim from such domestic remedy before the final decision is made therein.

5. If any dispute between an Investor of one Contracting Party and the other Contracting Party cannot be thus settled within a period of 6 (six) months following the date on which such negotiations were requested in written notification as mentioned in paragraph 2 of this Article, and the disputing Investor intends to submit the dispute to one of the fora listed under paragraphs 3 (a)-(c) of this Article, the disputing Investor shall at the very latest simultaneously to submitting any dispute to one of the tribunals, notify the other Contracting Party by written notice of its intention

6. An Investor may submit a dispute as referred to in paragraphs 1 and 2 of this Article to arbitration in accordance with paragraph 3 of this Article only if not more than 3 (three) years have elapsed from the date on which the Investor first acquired, or should have first acquired, knowledge of the alleged breach and that the Investor has incurred loss or damage.

7. When rendering its decision, the tribunal shall apply this Agreement as interpreted in accordance with the Vienna Convention on the Law of Treaties, and other rules and principles of international law applicable between the Contracting Parties. For greater certainty, the domestic law of the Contracting Parties shall not constitute part of the applicable law when the tribunal renders its decision. In case of Hungary, the term "domestic law" comprises the law of the European Union.

8. The tribunals referred to in paragraph 3 (b) - (e) of this Article shall not have jurisdiction to determine the legality of a measure, alleged to constitute a breach of this Agreement, under the domestic law of a Contracting Party. For greater certainty, in determining the consistency of a measure with this Agreement, the tribunal may consider, as appropriate, the domestic law of a Contracting Party as a matter of fact. In doing so, the tribunal shall follow the prevailing interpretation given to the domestic law by the courts or authorities of that Contracting Party and any meaning given to domestic law by

the tribunal shall not be binding upon the courts or the authorities of that Contracting Party.

9. Arbitrators appointed as the members of the tribunal shall be independent. They shall not:

(a) affiliate with any government;

(b) take any instructions from any organisations or government with regard to matters related to the dispute, and

(c) participate in the consideration of any disputes that would create a direct conflict of interest. Arbitrators shall comply with the International Bar Association Guidelines on Conflicts of Interest in International Arbitration. In addition, upon appointment, they shall refrain from acting as party appointed expert or witness in any pending or new Investment dispute under this or any other international agreement. The Contracting Parties shall negotiate a specific code of conduct for the arbitrators to be applied in disputes arising out of this Article whereby the decisions on compliance with the code of conduct are taken by an outside party from the Tribunal.

10. The award shall be final and binding on the parties to the dispute and shall be executed in accordance with the law of the Contracting Party in the Territory of which the Investment has been made and the award is relied upon, by the date indicated in the award.

11. Upon entry into force between the Contracting Parties of an international agreement providing for a multilateral Investment tribunal and/or a multilateral appellate mechanism applicable to disputes under this Agreement, the relevant parts of this Agreement shall cease to apply.

12. A Contracting Party, which is a party to a dispute, shall not at any stage of arbitration or enforcement of an arbitration award raise an objection claiming that the Investor, who is the other party to the dispute, has received an indemnity to cover all or part of its losses by virtue of an indemnity, guarantee or insurance contract.

Article 11. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled by consultation or negotiation through diplomatic channels.

2. If the dispute cannot be thus settled within 6 (six) months from the date on which such consultation or negotiation were requested in writing by either Contracting Party, it shall, upon the request of either Contracting Party, be submitted to an Arbitral Tribunal of 3 (three) members, in accordance with the provisions of this Article.

3. The Arbitral Tribunal shall be constituted for each individual case in the following way. Within 2 (two) months from the date of the receipt of the request for arbitration, each Contracting Party shall appoint 1 (one) member of the Tribunal. These 2 (two) members shall then select a national of a third state, which maintains diplomatic relations with both Contracting Parties, who shall be appointed as the Chairman of the Tribunal (hereinafter referred to as the "Chairman"). The Chairman shall be appointed within 3 (three) months from the date of appointment of the other 2 (two) members.

4. If within the periods specified in paragraph 3 of this Article, the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointments. If the President happens to be a national of either Contracting Party, or if the President is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.

5. Subject to other provisions made by the Contracting Parties, the Tribunal shall determine its rules of procedure.

6. The tribunal shall issue its decision on the basis of the provisions of this Agreement as well as of the applicable rules and principles of international law.

7. The Arbitral Tribunal shall reach its decision by a majority of votes.

8. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties, unless the arbitral tribunal decides otherwise.

9. The decisions of the Tribunal are final and binding for each Contracting Party.

Article 12. Transparency

The UNCITRAL Transparency Rules in Treaty-based Investor-State Arbitration shall apply to arbitration proceedings initiated against Hungary under this Agreement. The Sultanate of Oman shall duly consider the application of the UNCITRAL Transparency Rules in Treaty-based Investor-State Arbitration to arbitration proceedings initiated against the Sultanate of Oman under this Agreement. Nothing in this Agreement or the applicable arbitration rules shall prevent the exchange of information between the European Union and Hungary or vice versa relating to a dispute. Each Contracting Party shall publish, or otherwise make publicly available, its laws and regulations of general application as well as international agreements which may affect the Investments of Investors of the other Contracting Party in the Territory of the former Contracting Party.

Article 13. Application of other Rules and Special Commitments

If the laws of either Contracting Party or their obligations under existing or future bilateral or multilateral agreement to which they are parties, in addition to the present Agreement, contain provisions whether general or specific, entitling Investments and Investors of the other Contracting Party to a treatment more favourable than is accorded by the present Agreement, such provisions shall prevail over this Agreement to the extent they are more favourable.

Article 14. Scope of Application

This Agreement shall apply to Investments made in the Territory of one of the Contracting Parties in accordance with its laws and regulations by Investors of the other Contracting Party prior to as well as after the entry into force of this Agreement, but shall not apply to any dispute or claim concerning an Investment which arose, or which was settled before the entry into force of this Agreement.

Article 15. Consultations

Upon request by either Contracting Party, the other Contracting Party shall agree to consultations on the interpretation or application of this Agreement through the diplomatic channels. Upon request by either Contracting Party, to the extent possible, information shall be exchanged on the impact that the laws, regulations, decisions, administrative practices or procedures, or policies of the other Contracting Party may have on Investments covered by this Agreement.

Article 16. General Exceptions

1. Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting or maintaining measures relating to financial services for prudential reasons, such as:

- (a) the protection of Investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier, and
- (b) ensuring the integrity and stability of a Contracting Party's financial system.

Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the obligations of the Contracting Parties under this Agreement

2. (a) Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting or maintaining measures that restrict transfers - especially relating to cross-border capital transactions and Article 7 - where the Contracting Party experiences serious balance of payments difficulties, or the threat thereof and in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies.

(b) Measures referred to in paragraph (a) of this Article shall:

- (i) be equitable, in good faith and neither arbitrary nor unjustifiably discriminatory;
- (ii) not exceed those necessary to deal with the cases set out in paragraph (a) above;
- (iii) be temporary and shall be eliminated as soon as conditions permit,
- (iv) be promptly notified to the other Contracting Party; and
- (v) avoid unnecessary damages to the commercial, economic and financial interest of the other Contracting Party.

Such measures shall be taken in accordance with other international obligations of the Contracting Party concerned, including those under the WTO Agreement and the Articles of Agreement of the International Monetary Fund.

3. Nothing in this Agreement shall be construed:

(a) to prevent any Contracting Party from taking any actions that it considers necessary for the protection of its essential security interests which may include interests and measures deriving from its membership in a customs, economic, or monetary union, a common market or a free trade area:

(i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment,

(i) taken in time of war or other emergency in international relations, or

(iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices, or to fissionable materials or the materials from which they are derived, or

(b) to prevent any Contracting Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

4. A Contracting Party may deny the benefits of this Agreement to an Investor of the other Contracting Party that is a Legal Person and to Investments of that Investor, if investors of a third state own or control the Investor of the other Contracting Party or the Investments, and the denying Contracting Party:

(a) does not maintain diplomatic relations with the third state, or

(b) adopts or maintains measures with respect to the third state that prohibit transactions with such Investor and its Investments or that would be violated or circumvented if the benefits of the Agreement were accorded to the Investments of Investors

5. A Contracting Party may deny the benefits of this Agreement to an Investor of the other Contracting Party that is a Legal Person of such Contracting Party and to its Investments, if that Legal Person has no substantial business activities in the Territory of the denying Contracting Party or if persons of the denying Contracting Party own or control that Legal Person.

6. All references in the Agreement to measures of a Contracting Party shall include measures applicable in accordance with European Union law in the Territory of that Contracting Party pursuant to its membership in the European Union. References to "serious balance-of-payments difficulties, or the threat thereof," shall include serious balance-of-payments difficulties, or the threat thereof, in the economic or monetary union of which a Contracting Party is a member.

Article 17. Final Provisions, Entry Into Force, Duration, Termination and Amendments

1. This Agreement shall apply without prejudice to the obligations deriving from Hungary's membership in the European Union, and subject to those obligations. Consequently, the provisions of this Agreement may not be invoked or interpreted neither in whole nor in part in such a way as to invalidate, amend or otherwise affect the obligations of Hungary arising from the Treaties on which the European Union is founded.

2. The Contracting Parties shall notify each other through diplomatic channels that their internal legal procedural requirements for the entry into force of this Agreement have been complied with. This Agreement shall enter into force 60 (sixty) days after the receipt of the last notification.

3. This Agreement shall remain in force for a period of 10 (ten) years and afterwards shall continue to be in force unless either Contracting Party notifies in writing the other Contracting Party through diplomatic channels of its intention to terminate this Agreement. The notice of termination shall become effective 1 (one) year after it has been received by the other Contracting Party but not earlier than the expiry of the initial period of 10 (ten) years.

4. In respect of Investments made prior to the termination of this Agreement, the provisions of this Agreement shall continue to be effective for a period of 10 (ten) years from the date of termination.

5. This Agreement may be amended by written agreement through diplomatic channels between the Contracting Parties. Any amendment shall be an integral part of the Agreement and enters into force in the same manner as specified in paragraph 2 of this Article.

In witness whereof, the undersigned duly authorized have signed this Agreement.

Done in duplicate at Muscat on this 02 day of February, 2022 corresponding to 30 day of Jumad 2, 1443 in the Arabic, Hungarian, and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For the Government of the Sultanate of Oman

For the Government of Hungary