

Agreement between the Republic of Poland and the Czech Republic on the promotion and mutual protection of investments

The Republic of Poland and the Czech Republic, hereinafter referred to as "the Contracting Parties",

Desiring to develop economic cooperation between the two countries, based on the principle of equality and mutual benefit,

Striving to promote and create favorable conditions for investors to invest in one Contracting Party in the territory of the other Contracting Party,

Recognizing that the promotion and mutual protection of investment under this agreement will contribute to the buoyancy of entrepreneurship in this area,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means any property invested by an investor of one Contracting Party, in accordance with the legal order of the other Contracting Party, and shall include in particular but not exclusively:

- a) Movable and immovable property as well as any other property rights such as mortgage, pledge, retention and other rights,
- b) Shares, bonds and other securities of companies as well as any other types of shares in companies,
- c) Cash claims or rights to other benefits having an economic value associated with the investment,
- d) Intellectual property rights, including copyrights, trademarks, patents, industrial designs, technological process, know-how, trade secrets, trade names and good-will;
- e) All rights arising from legislation or contract and any license or permit issued in accordance with law, including concessions for exploration, extraction, cultivation or exploitation of natural resources.

Any change in the form in which the investment was made does not change its character as an investment.

2. The term "investor" means any natural or legal person who makes an investment in the territory of the other Contracting Party:

- a) The term "natural person" means any natural person who is a national of one of the Contracting Parties in accordance with its legislation.
- b) The term "legal person" means - in respect of any Contracting Party - any company registered or organized in accordance with the legislation of a Contracting Party and established in the territory of one of the Contracting Parties.

3. The term "revenue" means amounts received from an investment and includes in particular, but not limited to, profits, interest, capital increase, shares, dividends, royalties and other fees due.

Article 2. Promotion and Admission of Investment

1. Each Contracting Party will support and create favorable conditions for investors of the other Contracting Party investing in its territory and will authorize such investments.

2. Investments made by an investor of one Contracting Party shall be treated in a fair and equitable manner and shall enjoy

full protection and security in the territory of the other Contracting Party.

Article 3. National Treatment and Most Favored Nation Clause

1. Each Contracting Party shall accord in its territory investments and income of investors of the other Contracting Party equal and fair treatment and no less favorable than that accorded to it by its own investments and income from its own investors or to investments and income belonging to investors of any third country.

2. Each Contracting Party shall grant in its territory investors of the other Contracting Party, with regard to the management, maintenance, use, enjoyment or disposal of their investments, treatment no less favorable than that accorded to its own investors or investors of any third country.

3. The provisions of paragraphs 1 and 2 may not be construed as obliging one Contracting Party to grant investors of the other Contracting Party the treatment, advantage or advantage which a single Contracting Party may grant to investors of a third country as a result of paragraphs 1 and 2. As obliging one Contracting Party to treat investors of the other Contracting Party the treatment, advantage or advantage which a single Contracting Party may grant to a third country investor as a result of:

a) A customs union, a free trade zone, a monetary union or other similar international agreement, or other forms of regional economic cooperation to which each Contracting Party is or may accede;

b) International agreements or arrangements relating wholly or mainly to tax matters.

Article 4. Compensation for Damages and Losses

1. If an investor's investment in one Contracting Party suffers from a war, armed conflict, exceptional state, Shall accord to the investor of the other Contracting Party - in respect of restitution, compensation for damage, compensation or other compensation - treatment no less favorable than that accorded to its own investors or investors of a third State.

2. Notwithstanding the provisions of paragraph 1 of this article, investors of one Contracting Party who, due to the events referred to in the preceding paragraph, suffer damage or loss in the territory of the other Contracting Party as a result of: paragraph 1 of this article, investors of one Contracting Party who due to The events mentioned in the preceding paragraph have suffered damage or loss in the territory of the other Contracting Party as a result of:

a) Requisition of their property by the armed forces or the authorities,

b) The destruction of their property by the armed forces or the authorities of the other Contracting Party not caused by armed conflicts or without the necessity of the situation,

Fair and proper compensation for damage or loss incurred as a result of requisition or destruction of property will be granted. Payments will be freely transferred without undue delay in freely convertible currency.

Article 5. Expropriation

1. Investments made by the investor of any Contracting Party shall not be nationalized, expropriated or subject to measures having equivalent effect to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party, unless this is done in the public interest. Such expropriation will be done in accordance with the legislation, will not be discriminatory and will be accompanied by an order for payment of prompt, proper and effective compensation. Such compensation will be equivalent to the market value of the expropriated investment determined before the expropriation or before the expropriation decision becomes publicly known, and will include interest from the date of expropriation, will be made without undue delay and paid in freely convertible currency.

2. The investor concerned has the right to demand immediate consideration of his case with respect to the valuation of his investment by the judicial authorities or by another independent authority of the Contracting Parties in accordance with the principles set out in that Article.

3. The provisions of paragraph 1 of this Article shall also apply where a Contracting Party expropriates the assets of a company incorporated or constituted in accordance with the legislation in force in its territory and which is situated in the territory of one of the Contracting Parties and where investors of the other Contracting Party hold shares. Article 1 of this Article shall also apply where a Contracting Party expropriates the assets of a company incorporated or constituted in accordance with the legislation in force in its territory and which is established in the territory of one of the Contracting Parties and in which the investors of the other Contracting Party hold shares.

Article 6. Transfers

1. The Contracting Parties guarantee the transfer of payments related to investments and the transfer of revenues. Transfers will be made in convertible currencies without any restrictions or unnecessary delay. Transfers will include, but are not limited to:

- a) Capital and additional amounts necessary to maintain or extend the investment,
- b) Profits, interest, dividends and other cash inflows,
- c) Royalties and other fees,
- d) Proceeds from the sale or liquidation of the investment.

2. Personal expenses will be transferred in accordance with the legislation of the Contracting Party in whose territory the investment was made.

3. For the purposes of this agreement, the official transfer rates will be used for current transactions on the transfer date unless otherwise agreed with investors.

Article 7. Subrogation of Rights

If one Contracting Party or its authorized agency makes a payment to its own investor under a guarantee granted in connection with an investment made in the territory of the other Contracting Party, the other Contracting Party shall recognize:

- a) The validity of the transfer of any right or claim of the investor by the first Contracting Party or its authorized agency making payments, provided that the acquisition has taken place in accordance with legislation or as a result of legal transactions in that State;
- b) That the Contracting Party or its authorized paying agency is entitled to subrogation for the exercise of rights and redress of the investor's claims and for the assumption of investment obligations.

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

1. Any dispute that may arise between an investor of one Contracting Party and the other Contracting Party related to investments made in the territory of the other Contracting Party shall be settled by the parties to the dispute by amicable settlement.

2. If a dispute between the investor of one Contracting Party and the other Contracting Party is not resolved within six months, the investor will have the right to submit the dispute:

- a) International Center for Settlement of Investment Disputes (ICSID), in accordance with the provisions of the Dispute Settlement Scheme between the State and the Investor of the Second Countries, opened for signature in Washington DC D.C. March 18, 1965, when both Contracting Parties become parties to this Convention, or
- b) Arbitration, or international 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, in writing, make changes to this rule. The arbitration award will be final and binding on both parties to the dispute.

Article 9. Settle 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 negotiation.

2. If the dispute is not resolved in this way within six months, it will be presented at the request of one of the Contracting Parties to the arbitration tribunal in accordance with the provisions of this article.

3. The arbitral tribunal will be set up for each case separately as follows: Within two months of the arbitration request, each Contracting Party will appoint one arbitrator. These two arbitrators will elect a citizen of a third state, who, after approval by both Contracting Parties, will be appointed chairman of the tribunal. The President shall be appointed within three months

from the date of appointment of the two arbitrators.

4. If the appointment referred to in paragraph 3 of this article is not made, the President of the International Court of Justice may be asked to do so. If the President is a national of one of the Contracting Parties or if for any other reason he can not fulfill the request, the Vice-President of the International Court of Justice will be asked to make the nomination. If the Vice-President is also a national of one of the Contracting Parties or if for any other reason he or she can not fulfill the request, the senior judge of the International Court of Justice, who is not a national of either Contracting Party, will be required to make the required appointments. It will be done, it may be asked the President of the International Court of Justice. If the President is a national of one of the Contracting Parties or if for any other reason he can not fulfill the request, the Vice-President of the International Court of Justice will be asked to make the nomination. If the Vice-President is also a national of one of the Contracting Parties or if for any other reason he or she can not fulfill the request, the senior judge of the International Court of Justice, who is not a national of either Contracting Party, will be required to make the required appointments.

5. The arbitral tribunal shall give its decision by a majority of votes. Such a judgment is binding. Each Contracting Party shall bear the costs of its arbitrator and the costs of its own participation in the arbitration proceedings. The expenses of the Chairperson and other costs shall be borne by the Contracting Parties in equal parts. The arbitration tribunal establishes its own rules of arbitration.

Article 10. Application of other Norms and Specific Obligations

1. If in addition to this Agreement the provisions of the international agreement to which the Contracting Parties are parties contain additional provisions, nothing in this Agreement shall prevent a Contracting Party or its investor investing in the territory of the other Contracting Party from benefiting from more favorable provisions. .

2. If the treatment granted to an investor of one Contracting Party by the other Contracting Party in accordance with its legislation is more favorable than the treatment provided for by this Agreement, then more favorable treatment will apply.

Article 11. Scope of the Contract

The provisions of this Agreement shall apply to investments made by an investor of one Contracting Party to the territory of the other Contracting Party and to investments already made prior to the date of entry into force of this Agreement.

Article 12. Entry Into Force, Validity, Termination

1. Each Contracting Party shall inform the other Contracting Party in writing, by diplomatic means, of its legal requirements for the entry into force of this Agreement. This Agreement shall enter into force thirty days after the date of the latter note.

2. This agreement will remain in force for 10 years. If one of the Contracting Parties fails to terminate it at least one year before the end of the 10-year period, the validity of the contract will be extended indefinitely. Subsequently, each Contracting Party may terminate it in writing within one year.

3. With respect to investments made before the expiry of this Agreement, its provisions shall remain in force for a period of ten years from the date of expiry of this Agreement.

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

On Behalf of the Polish Republic

H. Suchocka

On Behalf of the Czech Republic

V. Klaus