Agreement between the Portuguese Republic and the Republic of Hungary on the reciprocal promotion and protection of investments

The Government of the Republic of Hungary and the Government of the Portuguese Republic, hereinafter referred to as the Contracting Parties,

In accordance with their respective domestic legal systems and the international commitments entered into by the two countries,

Taking into account the principles set out in the Paris Charter on New Europe and in the final document of the CSCE Conference in Bonn,

Taking into account the prospects for the development of the relationship between Hungary and the European Communities,

With the aim of developing bilateral economic relations, on the basis of equity and reciprocity of advantages,

Whereas investment is one of the most important forms of business cooperation between countries with market economy systems,

Aware of the importance of the investments of economic agents of one Contracting Party in the territory of the other Party in pursuit of this objective,

And with a view to creating favorable conditions for the realization of investments in the territory of one of the Contracting Parties by the economic agents of the other Party, have agreed as follows:

Article 1.

For the purposes of this Agreement:

a) The term "investor" means:

- nationals of each of the Contracting Parties, as defined in their respective domestic legal systems;

- "companies", understood as such, shall mean any individual and any collective entity, including commercial companies and other companies or associations, whether or not having legal personality, that are incorporated and operate in accordance with the law of each of the Contracting Parties.

Article 2.

1 . In accordance with their respective legislation, each Contracting Party shall permit investments made by investors of the other Contracting Party in its territory.

2 . Without prejudice to other measures favoring investment promotion, the two Contracting Parties shall support:

a) Initiatives, such as exports, symposia and other meetings to develop relations between the two countries and above all between their economic operators and their representative organizations;

b) The information of the economic agents of the two countries on the concrete possibilities of bilateral cooperation, in particular those that can be achieved through investment;

c) Cooperation between economic organizations and enterprises of the two countries.

Article 3.

1 . The Contracting Parties shall grant, on a reciprocal basis, to the investors of the other Contracting Party the most favorable treatment in the preparation and execution of investment projects; In any case the treatment to be granted shall be fair and equitable and in accordance with the principles of international law.

2 . The Contracting Parties shall refrain from taking any unfair or discriminatory measure regarding the use, enjoyment, administration, disposal and liquidation of investments made in their territory by investors of the other Contracting Party.

3 . The provisions of this article shall apply in particular to the acquisition and transport of raw materials, auxiliary materials, energy, fuels and means of production and exploitation of any kind, as well as the sale and transport of products, both within the country and abroad .

4 . The most favorable treatment accorded or to be granted to investments or investors of a third State by virtue of the signature by one of the Contracting Parties of agreements establishing free trade zones, customs unions, Common market, organizations or other forms of economic assistance or other forms of regional economic organization or with a view to avoidance of double taxation or any other fiscal matter.n ° - 1 of this article, the most favorable treatment granted or to be granted to Investments or investors of a third State by virtue of the signature by one of the Contracting Parties of agreements establishing free trade areas, customs unions, common markets, organizations or other forms of economic or other regional or regional aid Avoid double taxation or any other fiscal matter.

Article 4.

If the legislation of one of the Contracting Parties, of the obligations under international law existing or existing between the Contracting Parties together with this agreement or private agreement between one of the Contracting Parties and an investor of the other Contracting Party - General or special advantage than that provided for in this Agreement, it shall prevail to the extent that it is in fact more favorable.

Article 5.

1 . Investments of investors of one Contracting Party shall enjoy full protection and security in the territory of the other Contracting Party.

2 . Neither Contracting Party may nationalize, expropriate or take any other decision which directly or indirectly deprives investors of the other Contracting Party of the ownership of its investments, unless such measures satisfy all of the following conditions:

a) Are of public interest and comply with the procedure laid down in their internal legal order for such cases;

b) Not discriminatory or in breach of any security which that Contracting Party has provided;

c) Be accompanied by the payment of fair compensation.

3 . The allowance provided for in paragraph 1 (c). Shall correspond to the value of. Market of the investment affected by the measures referred to in paragraph 2 of this article immediately before the moment the same measures are known, plus interest until the date of payment, calculated according to the market rate of the credit options Active for the same period.n ° - 2 of this article immediately before the moment when the same measures are known to the public, plus interest until the date of payment, calculated according to the market rate of the active credit options for the same period.

4 . The compensation provided for in the preceding paragraphs shall be paid without undue delay, in freely convertible currency and immediately transferable.

5 . Investors of one Contracting Party who suffer loss of investment in the territory of the other Contracting Party because of war or other armed conflict, revolution, riot, emergency stay or other force majeure shall not Refunds, compensation or any other payments, treatment less favorable than that accorded to third-party investors, if and to the extent that the regime applicable thereto is more favorable.

6 . In respect of matters governed by this Article, investors of one Contracting Party shall enjoy the most favored nation treatment in the territory of the other Contracting Party.

Article 6.

The Contracting Parties shall, in accordance with their domestic legal systems, guarantee to the investors of the other Contracting Party the free and immediate transfer of the amounts deducted from taxes related to their investments in their

respective territories, namely:

a) Of capital and additional costs for the maintenance or expansion of the investment;

b) Of the yields defined in

c) Of Article 1; (C) the amounts intended for the repayment of loans, Article 1 -; (C) amounts for the repayment of loans;

d) Of the wages and pensions of nationals of the other Contracting Party who have been authorized to work in investment-related activities in the territory of the Contracting Party in which the investment was carried out;

e) Indemnities, compensations or any other payments that may be received under the terms of the previous article;

f) Of the proceeds of the investment settlement.

Article 7.

1 . If one of the Contracting Parties, by virtue of a guarantee provided for an investment in the territory of the other Contracting Party, or if a natural or legal person of a Contracting Party, by virtue of an insurance contract or reinsurance of non-commercial stripes of a Contracting Party, Investment in the territory of the other. The Contracting Party, by virtue of such guarantee or insurance, make any payment to the respective investor, it shall automatically be subrogated to the rights of either the substantive or the action of the said investor.

2 . The Contracting Party in which the investment guaranteed or secured under the preceding paragraph has been carried out shall grant to the subrogant the same treatment given to an investor of the other Contracting Party.

Article 8.

1 . Any dispute relating to investments between one Contracting Party and an investor of the other Contracting Party shall, where possible, be settled amicably.

2 . The disputes referred to in the preceding paragraph, if not resolved in a friendly manner within six months of the opening of the discussions to that effect, shall always be submitted, at the request of one of the parties to the arbitration of the "International Center for Settlement of Disputes" , As referred to in the Washington Convention of 18 March 1965.

3 . Except in cases of expropriation, nationalization or measures having equivalent effect, disputes referred to in this Article shall be submitted to the competent judicial authorities of the Contracting Party in which the investment was made. In the absence of a final judgment, after 1 month of the filing date of the action, the same litigation will be resolved under the terms of the previous number.

Article 9.

1 . Either Contracting Party may request the other Contracting Party to consult on matters within the scope of this Agreement.

2 . Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled, wherever possible, through the diplomatic channel. If a dispute can not be settled in this way within six months of one of the Contracting Parties having raised the matter, either of the Contracting Parties. May submit the dispute to an arbitral tribunal to be established for that purpose.

3 . The Arbitral Tribunal shall be constituted for each specific case as follows: each of the. Contracting Party shall designate an arbitrator, the latter being by common accord the presiding arbitrator, who shall always be the national of a third state. The arbitrators shall be appointed within five months of the date on which one of the Contracting Parties notifies the other Contracting Party of their will to submit the dispute to arbitration.

4 . If the time limits set out in the preceding paragraph are not fulfilled, either Contracting Party may request the President of the International Court of Justice in The Hague to appoint the arbitrators necessary for the functioning of the tribunal.

5 . The arbitral tribunal shall decide in accordance with the rules of applicable international law, with particular regard not only to this Agreement but also to all other agreements binding both Contracting Parties, in the absence thereof, in accordance with the general principles of international law.

6 . The court shall define its own rules of procedure, unless otherwise decided by the Contracting Parties.

7 . The tribunal shall decide by majority and its decisions, which can not be appealed, shall be binding on the Contracting Parties.

8. Each Contracting Party shall bear the expenses of its own arbitrator, as well as those of its own representation in the arbitration proceedings. The two Contracting Parties shall share equally in the remaining expenses of the tribunal and the proceedings.

Article 10.

This Agreement shall also apply to investments made as from 1 January 1973 by investors of one Contracting Party in the territory of the other Contracting Party in accordance with their respective legal provisions.

Article 11.

1 . This Agreement shall enter into force 30 days after the date of receipt of the second of the notes by which the Contracting Parties notify each other of their approval in accordance with the constitutional provisions of both countries and shall be valid for 15 years.

2 . The Agreement shall be automatically renewed for successive periods of 10 years, unless one of the Contracting Parties denounces it, which shall be notified to the other Contracting Party at least one year in advance of the end of the initial period of validity Or its extensions.

3 . For investments made before the expiry of this Agreement, the provisions of this Agreement shall remain in force for ten years from the date of termination.

Done at Budapest on February 28, 1992, in two copies, each in the Hungarian and Portuguese languages, the text in either language being equally authentic.

For the Republic of Hungary:

Tibor Pongrácz, Political State Secretary of the Ministry of Finance.

For the Portuguese Republic:

António José Fernandes de Sousa, Deputy Secretary of State for Foreign Trade.