

# **Agreement between the Republic of Poland and the Republic of Moldova on Mutual Promotion and Protection of Investments**

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

Striving to expand economic cooperation with mutual benefit for both states,

With the aim of creating and maintaining favorable conditions for investors of one country in the territory of the other,

Recognizing the need to promote and protect foreign investment in order to contribute to the economic boom of both states,

Have agreed as follows:

## **Article 1. Definition**

For the purposes of this Agreement:

1) The term "investor" means for each of the Contracting Parties:

- a) Natural persons having the nationality of the Contracting Party concerned;
- b) Legal persons, in particular companies, corporations, trade associations and other organizations, duly formed, in accordance with the law of the State in whose territory they are established and carry on genuine economic activity,

2) The term "investment" means any property, and in particular:

- a) Movable and immovable property as well as all other property rights such as mortgages, merchants' right of detention and pledge;
- b) Shares, shares or any other type of shareholding in the companies and in the legal persons referred to in point 1 (b);
- c) Cash claims or claims for other benefits, having an economic value;
- d) Intellectual property rights such as copyrights, patents, utility models, industrial designs and patterns, trademarks, trade names, production and trade secrets, production technology, know-how and goodwill;
- e) The right to pursue an economic activity, including concessions for the exploration, extraction or exploitation of natural resources, as well as other rights conferred by law, contract or decision of the competent authority issued in accordance with the legislation of the State in whose territory the investment was made,

3) A change in the form of investment permitted under the laws and regulations of the State of the Contracting Party in whose territory the investment was made does not change its character as an investment,

4) The term "revenue" means the amounts received from an investment, and in particular includes profits, interest on capital, dividends, royalties, fees or other current income,

5) The term "territory" shall mean respectively the territory of the Republic of Poland or the territory of the Republic of Moldova over which each of the Contracting Parties exercises sovereign rights and jurisdiction in accordance with international law.

## **Article 2. Scope of Application**

1. This Agreement shall apply to investments made in the territory of one Contracting Party in accordance with its legislation by investors of the other Contracting Party both before and after the entry into force of this Agreement.

2. This Agreement shall not apply to investments made under intergovernmental agreements under the former Mutual Economic Assistance Council until they are converted in accordance with the legislation of the Contracting States in respect of foreign investment.

### **Article 3. Promotion and Admission of Investment**

1. Each Contracting Party shall promote on its territory investments by investors of the other Contracting Party and shall authorize such investments in accordance with its domestic legislation.
2. If a Contracting Party permits investment in its territory, it will grant, in accordance with its legislation, the necessary licensing arrangements for technical, commercial or administrative assistance related to such investments. Each Contracting Party will, if necessary, make every effort to issue the necessary permits to the citizens of the other Contracting Party for activities related to such investments.

### **Article 4. Protection and Treatment of Investment**

1. Each Contracting Party shall protect in its territory investments made in accordance with its internal legislation by investors of the other Contracting Party and shall not in any way prejudice the investor's right of the other Contracting Party to manage, maintain, use, benefit, extend its activities in an unreasonable or discriminatory manner. , Sales and, if necessary, liquidation of such investments.
2. Each Contracting Party shall ensure in its territory fair and equal treatment of investments made by investors of the other Contracting Party. This treatment shall be no less favorable than that accorded by any Contracting Party to investments made in its territory by investors of any third country.
3. The most-favored nation clause will not apply to the privileges and reliefs which any Contracting Party will grant to third-country investors on account of its membership or membership in a free trade zone, customs union, common market or other form of regional economic integration or under any contract. On the avoidance of double taxation or other tax matters.

### **Article 5. Transfer**

1. Each Contracting Party on whose territory investments have been made by investors of the other Contracting Party will grant these investors, upon payment of taxes, duties and dues, the free transfer of payments related to those investments, and in particular:
  - a) Interest, dividends, profits and other current income;
  - b) Repayment of loans related to investments;
  - c) Amounts intended to cover the cost of managing the investment;
  - d) Royalties and other payments resulting from the rights referred to in Article 1 (2) (c), (d) and (e) of this Agreement, points 2 (c), (d) and (e) of this Agreement;
  - e) The additional capital amounts necessary to maintain or develop the investment;
  - f) Proceeds from the sale or partial or total liquidation of the investment, including capital increase.
2. Transfers will be made without delay in convertible currency at the rate applicable on the date of transfer and in accordance with the procedure provided for by the legislation of the Contracting Party in whose territory the investment was made.

### **Article 6. Expropriation and Compensation**

1. Neither Contracting Party shall undertake, directly or indirectly, expropriation, nationalization or other actions of equal nature or effect to investments of investors of the other Contracting Party unless these activities are undertaken in the public interest and will not have Discriminatory character and will be taken in accordance with the proper legal procedure, as well as effective and proper compensation. Such compensation will correspond to the market value of the expropriated investment immediately prior to expropriation or before the expropriation becomes publicly known (whichever is the case) and will include interest on the value of the expropriated investment from the date of expropriation and will be freely transferable. The amount of compensation will be determined in convertible currency and will be paid without undue delay.

The term "without undue delay" means the transfer made during the period normally required to complete the transfer formalities. The period starts on the day the application is submitted and can not exceed 3 months.

2. Investors of one of the contracting parties whose investments have suffered losses due to war or any other armed conflict, riots, emergency or other similar events occurring in the territory of the other Contracting Party shall be treated as restoration, indemnity, compensation or other compensation for losses - in accordance with the provisions of Article 4, paragraphs 1 and 2 of this Agreement.

## **Article 7. More Favorable Treatment Clause**

Where the legislation of a Contracting Party or existing obligations between Contracting Parties in accordance with international law contains additional regulations which, in general or in particular, provide for investments made by investors of the other Contracting Party to treatment more favorable than provided for in this Agreement, In which they are more favorable, will take precedence over this contract.

## **Article 8. Subrogation**

1. If a Contracting Party or any of its agencies makes a payment to any of its investors under a guarantee or insurance concluded in connection with an investment, the other Contracting Party shall consider the transfer of all rights or claims of the investor by the first Contracting Party or its agency. A Contracting Party or any agency thereof which has taken over the investor's rights is entitled to the same rights as the investor and to the same rights, subject to the investor's obligations in respect of the person thus insured.

2. In the case of the subrogation referred to in paragraph 1 of this Article, the investor shall not make claims unless otherwise authorized by the Contracting Party or any of its agencies.

## **Article 9. Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation and application of the provisions of this Agreement shall be settled by diplomatic means.

2. If both Contracting Parties fail to reach an agreement within six months of the date of the dispute, the dispute shall be submitted to the arbitral tribunal of three members at the request of any Contracting Party. Each Contracting Party will designate one arbitrator, and the selected arbitrators will nominate a chairperson who will be a national of a non-member state maintaining diplomatic relations with both Contracting Parties.

3. If one of the Contracting Parties fails to elect its arbitrator and does not join the other Contracting Party to make such a selection within two months, the arbitrator shall be appointed by the President of the International Court of Justice at the request of that Contracting Party.

4. If both arbitrators can not reach an agreement on the choice of chairman within two months of their appointment, they will be appointed by the President of the International Court of Justice at the request of either Contracting Party.

5. If, in the cases referred to in paragraphs 3 and 4 of this Article, the President of the International Court of Justice can not fulfill the said function or if he is a national of one of the Contracting Parties, the appointments shall be made by the Vice-President and if he is unable to fulfill his functions or if he is a national of one of the Contracting Parties Paragraphs 3 and 4 of this Article, the President of the International Court of Justice can not fulfill the said function or if he is a national of one of the Contracting Parties, the appointments shall be made by the most senior Judge of the Tribunal who is not a national of any of the Contracting Parties.

6. In the absence of any other agreement between the Contracting Parties, the tribunal shall determine its procedure. The Court shall rule by a majority of votes.

7. Each Contracting Party shall bear the costs of its own arbitrator and of its participation in arbitration proceedings; The costs of the chairman and the remaining costs shall equally cover the Contracting Parties.

8. Judgments of the tribunal are final and binding on each of the Contracting Parties.

## **Article 10. Disputes between the Contracting Party and the Investor of the other Contracting Party**

1. Subject to the provisions of Article 9 of this Agreement, consultations will be held between the parties concerned. Article 9 of this Agreement shall be consulted between the interested parties.
2. If consultation fails to resolve within six months of the date of the written request for initiation, one of the parties may refer the dispute to the arbitral tribunal.
3. The arbitral tribunal will be set up for each individual case. Unless the parties to the dispute agree otherwise, each of them will appoint one arbitrator. Appointed arbitrators will elect a president who will be a third-country national. Arbitrators should be appointed within two months from the date of receipt of the request for referral to the arbitral tribunal and the chairman within the next two months.
4. If the terms mentioned in paragraph 3 of this article are not respected, any of the parties to the dispute may, in the absence of any other agreement, request the President of the Court of Arbitration at the International Chamber of Commerce in Paris to make the necessary appointments. If the President is unable to perform the said function or is a national of one of the Contracting Parties, the provisions of Article 9, paragraph 5, of this Agreement shall apply mutatis mutandis.
5. Unless the parties to the dispute agree otherwise, the tribunal will determine its course of action. Decisions are final and binding. Each Contracting Party shall ensure the recognition and enforcement in its territory of the decisions of the arbitral tribunal.
6. Each party to the dispute will bear the costs of its member of the Tribunal and its own participation in the arbitration proceedings; The costs of the chairman and other costs will be borne equally by the parties to the dispute.
7. The Contracting Party which is the party to the dispute may not invoke, at any stage of the amicable settlement or enforcement of the judgment, the fact that the investor has received compensation under the insurance contract covering all or part of the claimed damage.
8. Where both Contracting Parties become parties to the Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Citizens of Second Countries, disputes shall be submitted to the International Center for Settlement of Investment Disputes.

## **Article 11. Final Provisions**

1. The Contracting Parties shall exchange notes on the fulfillment of the legal requirements provided for in the legislation of the State of each of the Contracting Parties with regard to the entry into force of international agreements. This agreement will enter into force on the day of receiving the later note.
2. This agreement will remain in force for a period of ten years. Its validity is automatically extended for successive five-year periods unless either of the Contracting Parties notifies the other Contracting Party in writing twelve months prior to the expiration of the period of validity of the intention to denounce this Agreement.
3. With respect to investments made prior to the expiration of this Agreement, the provisions of Articles 1 to 10 shall remain in force for a further period of ten years from that date. Articles 1 to 10 shall remain in force for a further period of ten years from that date.

For the republic of Poland

K. Kalicki

For the Republic of Moldova

V. Bobutac