Agreement between the Republic of Costa Rica and the Argentine Republic for the Promotion and Reciprocal Protection of Investments

The Government of the Argentine Republic and the Government of the Republic of Costa Rica, hereinafter referred to as the "Contracting Parties";

Desiring to intensify economic cooperation between the two countries;

In order to create favourable conditions for investments of investors of one Contracting Party in the territory of the other contracting party;

Recognizing that the promotion and protection of such investment based on an agreement will stimulate economic initiative individually and will increase prosperity in both States.

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means, in accordance with the laws and regulations of the Contracting Party in whose territory the investment was made, every kind of assets invested by investors of one Contracting Party in the territory of the other contracting party, in accordance with the legislation of the latter. includes in particular, though not exclusively:

a) Ownership of movable and immovable property as well as any other rights in rem such as mortgages, bonds, and pledges;

b) Titles, stocks, debentures and any other kind of participation in companies;

c) Obligations or loans directly related to an investment, regularly contracted and documented according to the rules in force in the country where the investment is made;

d) Intellectual Property Rights, including copyrights and neighbouring rights, industrial property rights such as trademarks, designations of origin, and industrial designs; patents

e) Concessions for the exercise of an economic activity conferred by law or under contract, including concessions to prospecting, cultivate, extract or exploit natural resources.

Any alteration of the form in which the investment has been made shall affect their qualification of investments in accordance with this Agreement.

2. The term "investor" refers with regard to either Contracting Party, the following subjects who has made investments in the territory of the other Contracting Party in accordance with this Agreement and the legislation of the latter:

a) Any natural person who is a national of one of the Contracting Parties, in accordance with its legislation;

b) Any legal entity including companies, corporations, company and any other organization which is constituted in accordance with the laws and regulations of one Contracting Party and having its seat in the territory of that Contracting Party, regardless of whether or not its activities are non-profit-making.

3. The provisions of this Agreement shall not apply to investments made by natural persons who are nationals of one Contracting Party in the territory of the other Contracting Party if such persons, at the time of the investment, have been domiciled for more than two years in the latter Contracting Party, unless it is proved that the investment was admitted in its territory from abroad.

4. The profits or income investment terms mean all sums resulting from an investment such as profits, dividends, interests, capital gains and other revenue streams.

5. The term "territory means the territory of each Contracting Party, including the territorial sea, as well as the exclusive economic zone and the continental shelf extends beyond the limits of the territorial waters of each of the Contracting Parties on which these are or may be in accordance with international law, sovereign rights and jurisdiction for the purpose of exploration and exploitation and preservation of natural resources.

Article 2. Promotion and Admission

1. Each Contracting Party shall promote investments in its territory by investors of the other Contracting Party and shall admit such investments in accordance with its laws and regulations.

2. The Contracting Parties shall facilitate consultations in relation to the investment opportunities in their respective territories.

3. The Contracting Party which has admitted an investment in its territory shall, in accordance with its laws and regulations the necessary permits in connection with such an investment as well as the required for the performance of contracts, licence, commercial or administrative assistance.

Article 3. Protection

Each Contracting Party shall at all times fair and equitable treatment to investments of investors of the other contracting party in its territory, it shall grant full protection and security and shall not hinder their management, maintenance, use, enjoyment or disposal through Arbitrary or Discriminatory Measures.

Article 4. National and Most-favoured-nation Treatment

1. Each Contracting Party, once admitted investments of investors in its territory of the other Contracting Party shall accord to such investments treatment no less favourable than that accorded to its own of investments or investors to investors of third States.

2. Between the national treatment and most favoured nation treatment each Contracting Party shall accord the treatment that is more favourable to the investment of the investor.

3. Without prejudice to the provisions of paragraph 1 of this article, The Most-Favored-Nation Treatment privileges shall not apply to each Contracting Party agrees to investments of investors of a third State because of its participation in any existing or future free trade area, customs union, common market, economic or monetary union or other similar regional economic integration.

4. The provisions of paragraph 1 of this Article shall not be construed as to oblige one contracting party to extend to investments of investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from any international agreement for the avoidance of double taxation or other tax arrangements.

5. The provisions of paragraph 1 of this Article shall not be construed not to extend to investments of investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from the bilateral agreements that provide concessional financing concluded between the Argentine Republic the Republic of Italy on 10 December 1987 and the Kingdom of Spain on 3 June 1988.

Article 5. Expropriation and Compensation

1. Neither of the Contracting Parties shall take measures of expropriation or nationalization or any other measures having the same effect (hereinafter referred to as expropriation) against investments within its territory and belonging to investors of the other contracting party unless the measures are taken for reasons of public interest, on a non-discriminatory basis and under due process of law. the measures shall be accompanied by provisions for the payment of prompt, effective and adequate compensation. the amount of such compensation shall correspond to the market value of the expropriated investment was immediately before the expropriation or before the impending expropriation became public, any of these circumstances is earlier, shall include interest from the date of dispossession a usual banking rate shall be paid without delay in a freely convertible currency and shall be effectively realizable and freely transferable.

2. The Investor affected shall have a right, under the laws of the contracting party making the expropriation, to prompt

review by a judicial authority or another competent and independent authority of that Contracting Party of its case to determine whether such expropriation and the valuation of its investment have been adopted in accordance with the principles set out in paragraph 1 of this article.

Article 6. Compensation for Loss

Investors of one Contracting Party who suffer losses of their investments in the territory of the other contracting party owing to war or other armed conflict, a national state of emergency, revolt, insurrection, civil disturbance or other similar events of internal disturbance, shall, as regards restitution, indemnification, compensation or other relief, a treatment no less favourable than that accorded to investments of its own to investors or investments of investors of any third State, whichever is the more favourable treatment to the investments of the investor concerned.

Article 7. Transfers

1. Each Contracting Party shall permit investors of the other Contracting Party the unrestricted transfer of their investments and returns, and in particular, though not exclusively:

a) The initial capital and additional amounts needed for the maintenance or development of the investments;

b) The benefits, profits, dividends, interests and other current income;

c) The necessary funds in repayment of loans as defined in article 1, paragraph 1 (c);

d) The proceeds from a total or partial sale or liquidation of an investment;

e) The compensation under articles 5 and 6;

f) The earnings of nationals of one Contracting Party who are allowed to work in connection with an investment in the territory of the other contracting party;

g) The expenses arising out of the settlement of a dispute relating to an investment.

Without prejudice to the provisions of this article, the contracting parties may take action under its legislation to prevent fraudulent actions, ensuring compliance with tax obligations or collect information for statistical purposes.

2. transfers shall be effected without delay in a freely convertible currency at the rate of exchange prevailing on the date of transfer pursuant to the procedures established by the Contracting Party in whose territory the investment was made, which shall not affect the substance of the rights under this article.

3. A transfer shall be deemed to be made without delay when it has been made within the period normally necessary for the completion of the formalities of transfer. the term, which shall in no case exceed two months, shall commence at the time of delivery of the request duly submitted.

Article 8. Principle of Subrogation

1. If a Contracting Party or any of its agencies conduct a payment to its investor under an insurance or guarantee given against non-commercial risks it has engaged in connection with an investment, the other Contracting Party shall recognize, in accordance with the procedures laid down in its legislation, the validity of the subrogation in favour of the Contracting Party or any of its agencies in respect of any right or title of the investor. the Contracting Party or any of its agencies shall be authorized, within the limits of subrogation to exercise the rights which the investor would have been entitled to exercise.

2. In the case of subrogation as defined in paragraph 1 of this article, the investor shall not pursue a claim unless he is authorized to do so by the contracting party or its agency.

Article 9. More Favourable Terms

If the provisions of law of either Contracting Party or obligations under international law existing or future between the Contracting Parties in addition to this Agreement or whether an agreement between an investor of one Contracting Party and the other contracting party contain rules whether general or specific that accorded to the investments made by investors of the other contracting party to a more favourable treatment than is provided for by the present Agreement, such rules shall prevail over this agreement to the extent that they are more favourable.

Article 10. Scope

This Agreement shall apply to all investments made before or after the date of its Entry into Force, but the provisions of this Agreement shall not apply to any dispute or difference claim, which arose before its Entry into Force or is related to events which occurred prior to its entry into force or is referred to the mere presence of such situations.

Article 11. Settlement of Disputes between the Contracting Parties

1. Disputes arising between the contracting parties concerning the interpretation or application of this Agreement shall, if possible, be settled through diplomatic channels.

2. If a dispute between the contracting parties cannot be settled in this way within a reasonable time, this shall be submitted, at the request of either contracting party to an arbitral tribunal.

3. The arbitral tribunal shall be constituted for each individual case in the following way. within three months of the submission of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. these two members shall select a national of a third State who on approval of the two Contracting Parties shall be appointed Chairman of the Tribunal. the Chairman shall be appointed within five months from the date of submission of the request for arbitration.

4. If within the periods specified in paragraph 3 of this article shall not make the necessary appointments, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to proceed with the necessary appointments. if the President is a national of one of the contracting parties or, if for any reason, is prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. if the Vice-President is a national of either of the contracting parties or if he is also prevented from discharging the function, the said member of the International Court of Justice who is next in order of precedence and is not a national of either Contracting Party shall be invited to make the necessary appointments.

5. Unless the Contracting Parties decide otherwise, the tribunal shall determine its own procedure.

6. The arbitral tribunal shall decide on the basis of this Agreement as well as of the generally recognized rules of international law. it shall take its decision by a majority of votes. such decision shall be final and binding on both contracting parties. each Contracting Party shall bear the costs of the member of the Tribunal and of its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in principle in equal parts by the contracting parties.

Article 12. Settlement of Disputes between an Investor and the Host Contracting Party of the Investment

1. Any dispute concerning an investment, under the terms of this agreement between an investor of one Contracting Party and the other Contracting Party, shall be notified in writing, including detailed information by the investor to the recipient of investment and the Contracting Party shall, as far as possible, be settled by amicable consultations.

2. If the dispute cannot be settled within six months from the date of the written notification mentioned in paragraph 1 may be submitted at the request of the investor:

a) The competent courts of the Contracting Party in whose territory the investment was made; or

b) To international arbitration under the conditions described in paragraph 5.

3. If the dispute has been raised by the investor and the parties fail to agree on the election of (a) or (b), the investor shall prevail.

4. According to paragraphs (2) and (3), once the investor or the Contracting Party has submitted the dispute to the courts of the Contracting Party concerned or to international arbitration, the choice of one of these procedures is final.

5. In the event of recourse to international arbitration, the dispute may be maintained:

a) The International Centre International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965, when each State Party to this Agreement has acceded thereto. as long as this requirement is not fulfilled, each Contracting Party consents that the dispute be submitted to arbitration under the ICSID Additional

Facility Rules for the administration of conciliation or arbitration proceedings or research;

b) A tribunal established ad hoc arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL.

6. If after a period of three months from the submission of written notification of the dispute to arbitration, there is no agreement on the choice of forum as provided in paragraph 5 (a) or paragraph 5 (b), the parties to the dispute shall refer to the International Centre for Settlement of Investment Disputes.

7. The arbitral tribunal shall decide on the basis of the provisions of this Agreement, the Law of the Contracting Party which is a party to the dispute including its rules on the Conflict of Laws, to the terms of any specific agreement concluded in relation to the investment as well as the principles of international law.

8. Arbitral awards shall be final and binding on the parties to the dispute. each Contracting Party shall execute the In accordance with its legislation.

9. The Contracting Parties shall seek, through diplomatic channels, arguments relating to arbitration or judicial proceedings already in place, unless the parties to the dispute have not complied with the award of the arbitral tribunal or the judgment of the Court, according to the terms set out in compliance with the award or judgment.

Article 13. Entry Into Force , Duration and Termination

1. This Agreement shall enter into force on the first day of the second month following the date on which the contracting parties have notified each other in writing that they have completed their respective constitutional requirements for entry into force of this Agreement, they shall be valid for 10 years. thereafter it shall remain in force until the expiration of a period of one year from the date on which either contracting party notifies in writing the other contracting party of its decision to terminate this Agreement.

2. In relation to those investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of articles 1 to 12 shall remain in force for a period of ten years from that date.

Done on 21 May 1957, in Buenos Aires, Argentina, in two original copies, in the Spanish language, both texts being equally authentic.

José Manuel Salazar

MINISTER

MINISTRY OF FOREIGN TRADE

REPUBLIC OF COSTA RICA

Guido Di Tella

MINISTER

MINISTRY OF FOREIGN AFFAIRS INTERNATIONAL TRADE AND WORSHIP

REPUBLIC OF ARGENTINA

Protocol

In signing the Agreement for the Promotion and Reciprocal Protection of Investments, the Republic of Costa Rica and the Republic of Argentina agreed on the following provisions which constitute an integral part of the above-mentioned Agreement

Ad Article 5.

1. For the purposes of Article 5(1), the Contracting Parties agree that in the case of Costa Rica "market value" shall mean the

concept of a fair price which shall be equivalent to the amount of compensation to be determined as follows:

The opinion shall include all the information necessary for identifying the goods being valued.

In the case of buildings, the opinion shall contain the valuation regardless of the field crops, buildings, inquilinatos, leases, commercial rights, the right to exploitation and any other property rights or capable of compensation.

In the case of movable property, each will be assessed separately and shall specify the characteristics that affect their valuation.

The valuation shall take into account only the actual damages. nor shall not be taken into account future developments and expectations of the law affecting good. nor shall be recognized capital gains arising from the project which generates expropriation.

Any expert opinion shall indicate in a comprehensive and detailed elements underlying the value assigned to it and the methodology used.

2. The Contracting Parties agree that any dispute regarding distribution or administration of export quotas in the domestic market, arising from the application of quantitative restrictions by a contracting party or a third State is a matter of a commercial nature. accordingly, it shall be resolved by trade rules applicable between the contracting parties.

Therefore, nothing in Article 5 of this Agreement shall serve as a basis for an investor of a Contracting Party to claim that the effects arising from the distribution or administration of a quota are considered an indirect expropriation.

Ad Article 7.

Nothing in subparagraph (f) of Article 7 shall be construed as to oblige either Contracting Party to authorize the professional practice, which shall be subject to the laws of each Contracting Party.

José Manuel Salazar

MINISTER

MINISTRY OF FOREIGN TRADE

REPUBLIC OF COSTA RICA

Guido Di Tella

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