AGREEMENT FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE PORTUGUESE REPUBLIC AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

The Government of the Portuguese Republic and the Government of the Federative Republic of Brazil:

Encouraged by the desire to deepen the traditional relations between the two countries and to create favorable conditions for greater economic cooperation, in particular with regard to the realization of investments by one country in the territory of the other;

Aware that the fact that Portugal belongs to the European Union and Brazil to Latin America contributes to the efforts of the two countries to intensify cooperation between the regional integration structures of which they are part and to strive to establish a more equitable international order;

Convinced that the deep solidarity and friendship existing between Portugal and Brazil could be significantly strengthened by the conclusion of an agreement for the promotion and reciprocal protection of investments against non-commercial risks, favoring the intensification of investment flows and business initiatives conducive to the prosperity of both countries;

Have agreed as follows:

Article I. Definitions

1. For the purposes of this Agreement, it is understood that:

I) The term "Contracting Party" means the Portuguese Republic or the Federative Republic of Brazil, constituting the context;

II) The term "investors" means:

a) Natural persons who have the nationality of the Contracting Party from which the investment originates, in accordance with their domestic law;

b) Legal persons, including companies, commercial companies, and other entities constituted under the laws of the Contracting Party from which the investment originates and which have their headquarters in the territory of that Contracting Party;

III) The term "investments" refers to all kinds of assets and rights acquired by the application or reapplication of resources, carried out in accordance with the law of the Contracting Contracting Party and includes, among others:

a) Shares, quotas, and other forms of equity participation in companies;

b) Credit rights or any other obligations of economic value which are directly related to an investment;

c) Ownership of movable and immovable property, as well as any other right in rem;

d) Concessions conferred by law, contract, or administrative act of a competent public authority, in particular those relating to the exploration, research, and exploitation of natural resources;

e) Rights in the field of intellectual property, including industrial property and copyright;

IV) The term "income" means the amounts generated by an investment, including profits, capital gains, dividends, interest, royalties or other forms of remuneration relating to the investment, and any payments made for technical or managerial assistance;

V) The term "territory" means the territories under the sovereignty of each of the Contracting Parties, as defined in the respective domestic laws, and includes, in addition to the areas demarcated by land and island boundaries, also the territorial sea, the continental shelf and the zone As well as any other maritime area, including the seabed and subsoil, to the extent that the Contracting Party, in accordance with international law, has rights in respect of the exploitation and use of natural resources;

VI) The term "liquidation" means the termination of the investment made in accordance with the legal provisions in force in the Contracting Party in which the investment was made.

2. No change in the form in which the assets and rights have been invested or reinvested will affect their qualification as investments in accordance with this Agreement, subject to compliance with the relevant legal provisions.

Article II. Promotion and Admission

1. Both Contracting Parties shall promote and protect the establishment in their territories of investments made by investors of the other Contracting Party and shall admit such investments in accordance with their laws and regulations.

2. Each Contracting Party shall, in accordance with its legislation, grant the required permits for the realization of such investments, permit manufacturing, technical, commercial, financial, and administrative assistance contracts, and grant the required authorizations for the activities of contracted consultants or experts By investors of the other Contracting Party.

Article III. Treatment

1. Each Contracting Party shall ensure in its territory non-discriminatory, fair, and equitable treatment of investments made by investors of the other Contracting Party.

2. In matters governed by this Agreement, the treatment referred to in paragraph 1 of this Article shall not be less favorable than that accorded by a Contracting Party to investments made in its territory under similar conditions by investors of a third country.

3. The provisions contained in paragraphs 1 and 2 of this Article do not affect the most favorable treatment granted, or that it will be granted by the Contracting Parties, to investments of investors of third States by virtue of:

a) Participation in customs unions, free trade areas, or other forms of economic cooperation and regional integration; and

b) Agreements to avoid double taxation or any other tax instrument.

4. In addition to the provisions of paragraph 2 of this Article, each Contracting Party shall accord to investments of the other Contracting Party, subject to the provisions of its national law, treatment no less favorable than that accorded to the investments of its nationals.

Article IV. Nationalization and Expropriation

1. Nationalization, expropriation, or any other measure having equivalent characteristics or effects that may be adopted by the authorities of one Contracting Party or a political subdivision thereof in respect of investments made in its territory by investors of the other Contracting Party shall be restricted to Cases of utility, necessity or public interest and shall be taken in a non-discriminatory manner, in accordance with the legal provisions of the Contracting Party in whose territory the investment was made and with fair and prompt compensation.

2. The compensation will correspond to the market value that the expropriated investment had at the date of the expropriation; shall be paid without delay and, in the absence of an agreement on the amount thereof, plus, up to the date of actual payment, adequate remuneration, which shall keep up to date the value established at the time of nationalization, expropriation or any other measure having equivalent characteristics or effects.

3. Investors of either Contracting Party who suffer loss of investment in the territory of the other Contracting Party in respect of war, armed conflict, national state of emergency or other similar events shall receive from that Contracting Party treatment no less favorable than that accorded to Its own investors or those of third States.

Article V. Transfer

1. Each Contracting Party shall, in accordance with its legislation, guarantee to the investors of the other Contracting Party the free transfer of the amounts related to the investments, in particular, but not exclusively:

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

b) Of the income defined in Article I of this Agreement;

c) The amounts required for the servicing and repayment of the loans which both Parties have recognized as an investment;

d) Of the proceeds resulting from the liquidation or total or partial disposal of the investment;

e) Compensation, compensation or other payments received pursuant to Article IV of this Agreement; and

f) Of any payments that must be made pursuant to the subrogation provided for in article vi of this Agreement.

2. Transfers shall be made without delay, within a period not exceeding six months, counted from the fulfillment by the investor of the corresponding legal and regulatory procedures in force in the territory of the Contracting Party in which the investment was made.

3. Transfers will be authorized in the currency in which the investment was made or, when requested by the investor, in another convertible currency.

Article VI. Principle of Subrogation

1. In the event that a Contracting Party or one of its agencies has granted insurance against non-commercial risks to investments made by an investor of that Contracting Party in the territory of the other Contracting Party and has made the payment corresponding to the insurance granted, -property of rights in the same credit position of the insured investor. Payments to be made to the first Contracting Party or to one of its agencies by virtue of such subrogation shall cover the situations referred to in Article IV.

2. In the case of subrogation, as defined in paragraph 1 of this article, the investor shall not initiate any legal action without the prior authorization of the Contracting Party or the agency designated by it.

Article VII. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall, as far as possible, be settled through diplomatic channels.

2. If no agreement is reached within six months of the date of notification of the dispute, either Contracting Party may refer it to an ad hoc arbitral tribunal in accordance with the provisions of this Article.

3. The arbitral tribunal shall be constituted as follows: within two months from the date of receipt of the request for arbitration, each Contracting Party shall appoint an arbitrator. These two arbitrators, in turn, shall choose as president a national of a third State. The president shall be appointed within three months from the date of appointment of the two other arbitrators.

4. If, within the period stipulated in paragraph 3 of this Article, the designations provided for therein have not been made, each Contracting Party may, in the absence of other adjustments, request the President of the International Court of Justice to do so. If the latter is a national of one of the Contracting Parties, or for any reason is prevented from accepting the charge, the same request shall be addressed to the Vice-President of that Court. If the Vice-President is also a national of one of the Contracting Parties or is also impeded, the member of the Court shall be immediately placed in the order of precedence and not a national of one of the Contracting Parties to make such designations.

5. The president and members of the arbitral tribunal shall also be nationals of States with which both Contracting Parties maintain diplomatic relations.

6. The arbitral tribunal shall decide on the basis of the provisions of this Agreement, the principles of international law in the matter, and the general principles of law recognized by the Contracting Parties. The court shall decide by majority vote and its decisions shall be final and binding on both Contracting Parties. The arbitral tribunal shall determine its own procedural rules.

7. Each Contracting Party shall bear the expenses of its arbitrator, as well as those relating to its representation in the arbitral proceedings. The costs of the President and the other costs of the proceedings shall be shared equally between the Contracting Parties.

Article VIII. Settlement of Disputes between a Contracting Party and an Investor

1. Disputes arising under this Agreement between one Contracting Party and an investor of the other Contracting Party which has invested in the territory of the former shall, as far as possible, be settled by friendly consultations.

2. If the dispute can not be resolved amicably within a period of six months from the start of such consultations, the following may be submitted at the choice of the investor:

i) The local courts of the Contracting Party in whose territory the investment was made; or

ii) International arbitration under the conditions described in paragraph 4 of this article.

3. The choice of one of these two routes will be definitive and irreversible.

4. In the case of an option for recourse to international arbitration, the dispute shall be submitted:

i) The International Center for Settlement of Investment Disputes, established by the Washington Convention of 18 March 1965, if the Contracting Parties have acceded to it; or

ii) An ad hoc tribunal, established in accordance with the Rules of Arbitration of the United Nations Commission on International Trade Law (UNCITRAL), adopted by Resolution No. 31/98 of the General Assembly of 15 December 1976. The tribunal shall be composed of three arbitrators-one appointed by the Contracting Party in whose territory the investment was made, one designated by the other party to the proceeding, and a third arbitrator, who shall preside over the tribunal, designated by the two arbitrators thus selected. If the third arbitrator is not appointed within 30 days from the appointment of the two other arbitrators, his appointment shall be assigned to the President of the Arbitration Tribunal of the International Chamber of Commerce in Paris.

5. The arbitral tribunal shall decide on the basis of the provisions of this Agreement, in accordance with the principles of international law in this field, the general principles of law recognized by the Contracting Parties in the direction of the Contracting Party in whose territory the investment was made and in Investment.

6. Arbitral awards shall be final and binding on the parties to the dispute and shall be enforced in accordance with the domestic law of the Contracting Party in whose territory the investment has been made.

7. The Contracting Parties shall refrain from dealing, through diplomatic channels, with disputes relating to disputes brought before a court or international arbitration, until such time as the corresponding proceedings have been concluded, except in cases where one of the parties to the dispute Has not complied with the judgment or decision of the arbitral tribunal, under the terms established in the respective judgment or decision.

Article IX. Consultation

The representatives of the Contracting Parties shall, whenever necessary, hold meetings on any matter relating to the implementation of this Agreement. These meetings shall be held on the proposal of one of the Contracting Parties, at a place and date to be agreed through diplomatic channels.

Article X. Application of other Rules

If the provisions of another international agreement to which the two Contracting Parties have acceded or are to accede or the internal rules of either Party establish a more favorable regime than that provided for in this Agreement, the most favorable arrangement shall prevail over it.

Article XI. Investments Prior to the Agreement

1. This Agreement shall apply to all investments already made by investors of one Contracting Party in the territory of the other Contracting Party in accordance with their respective legal provisions.

2. This Agreement shall not apply to disputes arising prior to its entry into force.

Article XII. Entry Into Force, Extension and Termination

1. Each Contracting Party shall notify the other of the fulfillment of its internal legal requirements necessary for the entry into force of this Agreement, which shall be given 30 days after the date of receipt of the second notification.

2. This Agreement shall remain in force for an initial period of 10 years, after which it shall be tacitly extended for successive

periods of 5 years.

3. This Agreement may be terminated by either Contracting Party, by written notification sent through the diplomatic channel, not later than one year before its expiration date.

4. In the event of termination, the provisions of Articles 1 to x of this Agreement shall continue to apply for a period of five years to all investments made prior to their notification.

Done in Brasilia, on 9 February 1994, in two original copies, in the Portuguese language, both texts being equally authentic.

For the Government of the Portuguese Republic

(signature)

For the Government of the Federal Republic of Brazil

(signature)