Agreement between the Republic of Austria and the Czech and Slovak Federal Republic on the Promotion and Protection of Investments

THE REPUBLIC OF AUSTRIA AND THE called Czech and Slovak Federative Republic, hereinafter the "Parties",

Develop DESIRING, friendly relations in agreement with the principles of the Final Act of the Conference on Security and Cooperation in Europe, signed in Helsinki on 1 August 1975, and to create favorable conditions for greater economic cooperation between the Parties;

RECOGNIZING that the promotion and protection of investments may strengthen the readiness for such investments and hereby make an important contribution to the development of economic relations,

HAVE AGREED AS FOLLOWS:

Article 1. Definitions

For the purposes of this Agreement

(1) the term "investment" comprises all assets that are invested by the investor of a Contracting Party in the territory of the other Party in accordance with its legislation, in particular:

a) movable and immovable property and any other rights in rem;

b) shares and other kinds of interest in companies;

c) claims or claims to money that was passed to create an economic value or claims to any performance having an economic value;

d) rights in the field of intellectual property, including copyright, industrial property rights such as patents, trademarks, industrial designs and utility models, technical processes, know-how, trade names and good will;

e) public-sector concessions to search for, extract or exploit natural resources;

(2) the term "investor"

With respect to the Republic of Austria

a) any natural person who is a national of the Republic of Austria and makes an investment in the territory of the other Party;

b) any legal person or partnership under commercial law, which was created in accordance with the laws of the Republic of Austria, has its headquarters in the territory of the Republic of Austria and makes an investment in the territory of the other Party;

With respect to the Czech and Slovak Federative Republic

a) any natural person who is a national of the Czech and Slovak Federal Republic of the Czechoslovak legal system, according to the Czechoslovak legal system is entitled to act as an investor and making an investment in the territory of the other Party;

b) any legal person, which has been built according to the Czechoslovak legal system is based in the territory of the Czech and Slovak Federal Republic and makes an investment in the territory of the other Party;

(3) the term "income" means the amounts yielded by an investment and includes in particular, profits, interest, capital gains, dividends, royalties and license fees.

Article 2. Promotion and Protection of Investments

(1) Each Party shall, as far as possible in its territory investments by investors of the other Party, this permits in accordance with its legislation and treats them in any case fair and equitable.

(2) investments and their returns shall enjoy the full protection of this Agreement. The same applies in the event of their reinvestment also for their returns. The legal extension or modification of an investment must be made in accordance with the laws of the Contracting Party in whose territory the investment is made.

Article 3. Treatment of Investments

(1) Each Party shall subject investors of the other Party and their investments treatment no less favorable than its own investors or investors of any third State and their investments.

(2) The provisions of paragraph 1 does not relate to current or future privileges conferred a Party to investors of a third State or their investments associated with

a) an economic union, a customs union, a common market, a free trade area or an economic community;

b) any international agreement or an international arrangement or domestic legislation regarding taxation;

c) any regulation to facilitate frontier traffic.

Article 4. Compensation

(1) Investments of investors of either Contracting Party shall within the territory of the other

Part y. Only In the Public Interest, Expropriated Due Process of Law and Against Compensation, Nationalized or Any other Measure Having Equivalent Effect Are Subjected

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(2) Such compensation shall be the value of the investment immediately before the date in which the actual or threatened expropriation became public knowledge. The compensation shall be paid without delay and shall bear interest until the date of payment the usual bank interest of the country in whose territory the investment was carried out; it must be freely transferable. Not later than the time of expropriation must be made in an appropriate manner for the determination and payment of compensation provisions.

(3) a Contracting Party expropriates of which has an investor of the other Party shares the assets of a company, which is considered the application of Article 1, paragraph 2 of this Agreement as their own company, and, it shall apply the provisions of paragraph 1 to such ensure due compensation to this investor.

(4) The investor shall have the right to challenge the legality of the expropriation reviewed by the competent authorities of the Contracting Party having induced the expropriation, to have it checked.

(5) The investor shall be entitled to the amount of compensation and the method of payment either by the competent authorities of the Contracting Party soft has the expropriation, or to have it checked by arbitration in accordance with Article 8 of this Agreement.

Article 5. Transfers

(1) Each Party shall guarantee to investors of the other Party without delay, the free transfer in freely convertible currency, of payments connected with an investment, in particular

a) the principal and additional amounts to maintain or expand the investment, including its management;

b) the returns;

c) the repayment of loans;

d) the proceeds from Faile complete or partial liquidation or sale of the investment;

e) compensation pursuant to Article 4 paragraph 1 of this Agreement.

(2) The transfers under this Article are carried out at the official exchange rates in the territory of the Contracting Party in force at the date of transfer. The bank charges shall be fair and reasonable.

Article 6. Entry Right

(1) If a Contracting Party or authorized by it makes Institution payments to its investor under a guarantee for an investment in the territory of the other Party, this other Party shall recognize the assignment of all rights or claims of this investor by operation of law or pursuant to a legal transaction on the former Contracting party. This is without prejudice to the rights of the investor of the first Contracting Party under Article 8 and the rights of the former Contracting Party under Article 9 of this Agreement.

(2) In addition, the other Party shall recognize the subrogation of the former Contracting Party to any such right or claim which is entitled to exercise the former Contracting Party to the same extent as its predecessor. To transfer the amount payable to the Contracting Party concerned by reason of the rights transferred payments Articles 4 and 5 of this Agreement shall apply mutatis mutandis.

Article 7. Other Commitments

(1) If the legislation of either Contracting Party or international obligations existing alongside this Agreement between the Parties or established hereafter, a general or specific, through the investments of investors of the other Contracting Party to treatment more favorable this than by those rules to the present Convention is to grant agreements, going so far as it is cheaper.

(2) Investors of one Contracting Party may conclude with the other Contracting Party specific agreements, the provisions of which, however, must not be in conflict with this Agreement. The investments made by these contracts investments are governed by the rules and by the provisions of this Agreement.

Article 8.

Settlement of Investment Disputes

{1) arise between a Contracting Party and an investor of the other Party

Disagreements from an investment that affect the amount or the method of payment of compensation in accordance with Article 4 or transfer obligations under Article 5 of this Agreement, they will be settled as far as possible amicably between the parties to the dispute.

(2) If a dispute under paragraph 1 within six months of a written notification of sufficiently detailed claims are placed in, is the disagreement, unless otherwise agreed, at the request of the Party or of the investor of the other Party by arbitration in accordance with the UNCITRAL arbitration Rules decided in force at the time of the request for arbitration shall be replaced.

(3) The decision of the judges is final and binding; each Party shall ensure the recognition and enforcement of the arbitral award in accordance with its legal system.

(4) A Party that Party to the dispute, contends in any stage of the arbitration proceedings or enforcement of an arbitral award as an objection that the investor who is the other party to the dispute, had received due to a guarantee of some or all

of its losses compensation.

Article 9. Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through amicable negotiations.

(2) Can not be settled a disagreement in accordance with paragraph 1 within six months, it shall be submitted at the request of both parties to arbitration.

(3) The arbitral tribunal shall be constituted on a case in which each Party shall appoint one member and these two members shall agree on a third person as chairman. The members within three months, after either Contracting Party has informed the other that it intends to submit the dispute to an arbitral tribunal to appoint the Chairman within a further two months.

(4) If the documents referred to in paragraph 3 deadlines are not met, then in the absence of any other arrangement, each Party to the President of the International Court

Ask you to make the necessary appointments. If the President of the International Court of Justice is a national of either Contracting Party or is prevented for any other reason, as the senior member of the International Court, the Vice President, or in his absence, be invited under the same conditions to make the appointments.

(5) The tribunal shall determine its own procedure.

(6) The tribunal shall decide on the basis of this Agreement and pursuant to the generally recognized rules of international law. It decides by majority vote; the decision is final and binding.

(7) Each Party shall bear the cost of its own member and of its representation in the arbitration proceedings. The cost of the Chairman and the remaining costs shall be borne by both parties equally. However, the tribunal may make a different regulation concerning costs in its decision.

Article 10. Application of this Agreement

This Agreement applies to investments, the investors of either Contracting Party in accordance

With the legislation of the other Party in their territory after 1 January

Have made in 1950 or will make.

Article 11. Entry Into Force and Duration

(1) This Agreement is subject to ratification and shall enter into force on the first day of the third month following the month in which the instruments of ratification have been exchanged.

(2) The Agreement shall remain in force for ten years; after which it will be extended for an indefinite period and may be terminated by either party with a notice period of twelve months' written notice through diplomatic channels.

(3) In respect of investments made prior to the date of termination of this Agreement, Articles 1 still apply to 10 of the Agreement, for a further ten years from the date of expiry of the Agreement.

DONE at Vienna, on 15 October 1990 in duplicate, in German and Czech languages, both texts being equally authentic.

For the Republic of Austria:

Dkfm. Ferdinand Lacina

For the Czech and Slovak Federative Republic:

Ing. Vaclav Klaus