UNITED STATES OF AMERICA and NICARAGUA Treaty of Friendship, Commerce and Navigation (with Protocol)

TREATY OF FRIENDSHIP, TRADE AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF NICARAGUA.

SIGNED IN MANAGUA, JANUARY 21, 1956

The United States of America and the Republic of Nicaragua, desirous of strengthening the bonds of peace and friendship which have traditionally existed between them and of promoting closer economic and cultural relations between the two peoples and aware of what can be done to achieve those ends By means of arrangements to promote mutually beneficial capital investments, to promote mutually advantageous commercial relations and at the same time establish reciprocal rights and privileges, have resolved to conclude a Treaty of Amity, Trade and Navigation, which is generally based on The principles of national and most favored nation treatment, granted unconditionally, and for this purpose have designated their Plenipotentiaries, namely:

The President of the United States of America:

Thomas E. Whelan, Ambassador Extraordinary and Plenipotentiary of the United States of America in the Republic of Nicaragua, and

The President of the Republic of Nicaragua:

Oscar Sevilla Sacasa, Minister of Foreign Affairs of Nicaragua,

Who, after having exchanged their Full Powers, and having found them in good and due form, have agreed upon the following Articles:

Article I.

Each Party shall at all times grant equitable treatment to the persons, property, enterprises and other interests of nationals and companies of the other Party.

Article II.

1. The nationals of each Party may enter and remain in the territories of the other Party:

(a) For the purpose of trade between the territories of the two Parties and engage in other activities related to such trade;

(b) For the purpose of promoting and directing the operations of a company in which they have invested, or are actively in the process of investing, a substantial sum of capital; and

(c) For other purposes, subject to the laws relating to the entry and stay of aliens.

2. Nationals of each Party shall be permitted, in the territories of the other Party:

(a) To travel freely and to reside in the places of their choice;

(b) To enjoy freedom of conscience;

(c) To hold religious, private and public services;

(d) Gather and transmit material for dissemination to the public abroad; and

(e) Communicate with other persons within and outside such territories by mail, telegraph and other means open to the

general public.

3. In order to strengthen the bonds of friendship and mutual understanding between the two countries by encouraging relations between their peoples, the greatest possible facilities for travel of tourists and other visitors will be offered; For the distribution of tourist information, and for the entry, stay and departure of visitors.

4. The provisions of this Article shall be subject to the right of each Party to implement the measures necessary to maintain public order and protect the health, morals and public security.

Article III.

1. The nationals of each Party shall, in the territories of the other Party, be free from any unlawful interference of any kind and shall be subject to the most constant protection and security, which shall in no case be less than those required by law international.

2. If, within the territories of either Party, a national of the other Party is arrested, the consular representative of his or her nearest country shall be notified immediately upon request. Such a national shall:

(a) Receive reasonable and humane treatment;

(b) Be immediately and formally informed of the allegations made against him;

(c) Be promptly prosecuted compatible with the proper preparation of his defense; and

(d) Enjoy all means reasonably necessary for their defense, including the services of competent defense counsel of their choice.

Article IV.

1. Nationals of each Party shall be accorded national treatment in the application, within the territories of the other Party, of laws and regulations establishing pecuniary compensation or other types of benefits or services on the basis of Illness, injury or death resulting from and in the course of employment, or because of the nature of the work.

2. In addition to the rights and privileges prescribed in paragraph 1 of this Article, nationals of each of the Parties shall be accorded, in the territories of the other, national treatment in the application of laws and regulations establishing compulsory insurance systems under which benefits are paid without individual proof of the need for pecuniary assistance:

(a) Loss of wages or salaries because of old age, severance, illness or physical incapacity; or

(b) For the loss of pecuniary assistance on the death of the parent, husband or other person from whom such assistance was received.

Article V.

1. Nationals and companies of each Party shall be accorded, in the territories of the other Party, national and most-favored nation treatment in respect of access to courts and tribunals and administrative Jurisdictional degrees, both in the demand for their rights and in the defense of them. It is understood that companies of each Party not engaged in activities in the territories of the other Party shall be entitled to such access, without any registration or domicile requirement.

2. Contracts between nationals and companies of one Party and nationals and companies of the other which provide for the arbitral settlement of disputes shall not be considered to be ineffective in the territories of such other Party by the mere fact that the place designated for the Arbitration procedure is outside such territories or that the nationality of one or more of the arbitrators is not that of that other Party. The judgment duly pronounced in accordance with such contracts and which is definitive and binding under the law of the place where it was issued may not be considered invalid nor be denied the effective means of its fulfillment in the territories of each of the Parties For the sole reason that the place where the judgment is pronounced is outside such territories or that the nationality of one or more of the arbitrators is not that of the said Party.

Article VI.

1. The property of nationals and companies of each Party shall receive the most constant protection and guarantees in the territories of the other.

2. The dwellings, offices, warehouses, factories and other property of the nationals and companies of each of the Parties located in the territories of the other, shall not be subjected to unlawful disruption or search without just cause. The home visits and records of such property and of what is in them, when necessary, will be carried out only in accordance with the laws and keeping the due considerations to the convenience of the occupants and to the march of the businesses.

3. Neither Party shall take unreasonable or discriminatory measures that adversely affect the rights and interests legally acquired in its territory by the the nationals and companies of the other with respect to the companies that have established, or their capitals, or in the specialties, arts or technologies that they have supplied.

4. The assets of nationals and companies of each of the Parties shall not be expropriated in the territories of the other, other than for purposes of public utility, and for reasons of social interest, as determined by law and shall not be expropriated without Prompt and fair compensation. The compensation will be made in the form of easy convertibility. It will represent the complete equivalent of the expropriated property and to determine and enforce it will be taken the measures of rigor, either at the time of expropriation or before it.

5. In no case shall the nationals and companies of either Party in the territories of the other be accorded less favorable treatment than the national and most-favored nation treatment in matters covered by paragraphs 2 and 4 Of this Article. In addition, undertakings in which nationals and companies of either Party have a substantial interest shall not be accorded, in the territories of the other Party, treatment which is less than national and most-favored nation in all Matters concerning the expropriation of privately owned enterprises to convert them into public property and place them in the public domain.

Article VII.

1. Nationals and companies of each Party shall be accorded, in the territories of the other Party, national treatment in respect of engaging in all commercial, industrial, financial or other for-profit activities (commercial activities), Either directly, through agents or through any form of legal entity. Accordingly, such nationals and companies shall be permitted in such territories:

(a) To establish and maintain branches, agencies, offices, factories and other establishments appropriate for the conduct of their business;

(b) Organize companies under the legislation of companies of that other Party, and acquire a predominant interest in companies of the other Party; and

(c) Control over the companies they have established or acquired and manage. Moreover, companies which control whether in the form of individual ownership, that of companies or otherwise, will be granted, in all matters related to the conduct of their business, a treatment no less favorable than the Which is granted to similar companies controlled by nationals and companies of that other Party.

2. Each Party reserves the right to limit the extent to which foreigners may, within their territories, establish, operate or acquire interests in public service enterprises or enterprises engaged in activities of construction of bareos, transportation by air or waterways, banking operations involving depository or fiduciary functions, or other natural resources. However, any new limitations imposed by any of the parties on the extent to which foreigners are accorded domestic treatment in respect of such activities within their territories shall not apply to undertakings already engaged in such activities, The time of such new limitations, provided that such companies belong to nationals and companies of the other Party or have a majority interest in them. Furthermore, neither Party shall deny the communications, transport and banking undertakings of the other Party the right to maintain branches and agencies to perform functions essential to the conduct of the essentially international operations to which they may be entitled.

3. The provisions of paragraph 1 of this Article shall not prevent each Party from prescribing special formalities in connection with the establishment in its territory of enterprises controlled by foreigners; but such formalities cannot in the essence impair the rights expressed in said paragraph.

4. Nationals and companies of each Party, as well as companies controlled by such nationals and companies, shall in any event be accorded the most-favored-nation treatment in respect of the matters covered by this Agreement Article.

Article VIII.

1. Nationals and companies of either Party shall be permitted to employ, at their own choice, in the territories of the other, accountants and other technical experts, executive officers, lawyers, agents and other specialist employees. The foregoing clause shall not be interpreted as to prevent a Party from enforcing laws regarding the nationality of employees, but such laws shall not prevent nationals and companies of the other Party from employing personnel, ignoring their nationality, That

is essential to the direction of your business. Furthermore, such nationals and companies will be permitted to contract the services of accountants and other technical experts, even if they do not meet the requirements established in the other Party, for the exercise of such profession within the territories of that other Party, with the Purpose of carrying out audits or technical investigations and rendering the relevant reports for such nationals and companies in connection with the plans and operations of their companies and of the enterprises in which they have a financial interest and are located in those territories.

2. Nationals and enterprises of each Party shall be accorded national and most-favored nation treatment in the territory of the other Party in respect of scientific, educational, religious and philanthropic activities and shall be Shall grant the right to form associations for such purposes, in accordance with the law of that other Party. Nothing in this Treaty shall be construed as granting or implying the right to engage in political activities.

Article IX.

1. Nationals and companies of either Party shall be accorded, within the territories of the other Party:

(a) national treatment in respect of the lease of land, buildings and other immovable property appropriate for the conduct of those activities to which they have been permitted to engage in accordance with Articles VII and VIII, and for residential purposes, and in relation to The occupation and use of such property; and

(b) other property rights permitted by the laws of that other Party.

2. Nationals and companies of each of the Parties whose status as foreigners has prevented them from obtaining national treatment shall be allowed to freely dispose of property situated in the territories of the other and acquire them by testamentary succession or abteststate, and shall be Grant a period of not less than five years to carry out such a provision.

3. Nationals and companies of each Party shall be accorded, in the territories of the other Party, national and most-favored nation treatment in respect of acquisition by purchase, lease or otherwise and in respect of The possession and possession of movable property of all kinds, tangible or intangible. However, either Party may limit the possession by foreigners of hazardous materials from the point of view of public security, as well as their possession of interests in companies engaged in certain activities; But only to the extent that the rights and privileges accorded in Article VII or in other provisions of this Treaty are not infringed.

4. Nationals and companies of each Party shall be accorded, in the territories of the other Party, national and most favored nation treatment as to the disposition of goods of all kinds.

Article X.

1. Nationals and companies of each Party shall be accorded, in the territories of the other Party, national and most favored nation treatment with respect to the obtaining and possession of patents and trademarks, Trade names, commercial signs and industrial property of all kinds.

2. The Parties undertake to cooperate to promote the exchange and use of scientific and technical knowledge, in particular for the purpose of increasing productivity and improving living conditions in their respective territories.

3. Neither Party shall, in an unreasonable manner, prevent nationals and companies of the other Party from obtaining, on a level playing field, the normal commercial channels, the capital, skills, arts and techniques necessary for the economic development of the other Party.

Article XI.

1. Nationals of each Party residing in the territories of the other Party and nationals and companies of each Party engaged in trade, other gainful enterprises, or scientific, educational, religious or philanthropic activities In the territories of the other Party, shall not be subject to taxes, duties and charges on income, capital, transactions, activities or otherwise, to payments or collection and collection requirements in the territories of that other Party, plus To those to which the nationals and companies of that other Party are subject.

2. With respect to nationals of each Party who do not reside or engage in trade or other gainful enterprises in the territories of the other Party and in respect of companies of either Party not engaged in Trade or other profitable enterprises in the territories of the other, it shall endeavor to apply in general the principle established in paragraph 1 of this Article.

3. The nationals and companies of each of the Parties shall not be subject, in any case, to the territories of the other, in

respect of taxes, duties or charges imposed or imposed on income, capital, transactions, activities or Anything else, to payments or collection and collection requirements that are more burdensome than those applied to resident nationals and companies from a third country.

4. In the case of companies of either Party engaging in trade or other gainful enterprises in the territories of the other, and in the case of nationals of either Party engaged in trade or other gainful enterprises in the territories of the other Party. Another Party, but not resident there, such other Party shall not impose or apply any tax, duty or charge on any kind of income, capital or other basis that exceeds what can reasonably be assigned or apportioned to its territories, And smaller exemptions than can reasonably be assigned or apportioned to their territories. Similar criteria will apply in the case of companies that are organized and operated exclusively for scientific, educational, religious or philanthropic purposes.

5. Each Party reserves the right to:

(a) to grant specific advantages in terms of taxes, duties and levies to nationals, residents and companies of other countries, on the basis of reciprocity;

(b) to grant special advantages in terms of taxes under agreements that tend to avoid double taxation or for the mutual protection of public income; and

(c) apply special provisions in granting non-residents personal exemptions in respect of income and inheritance taxes.

Article XII.

1. Each Party shall accord to nationals and companies of the other Party national and most-favored nation treatment in respect of payments, remittances and transfers of funds or negotiable instruments between the territories of the two parties, as well as as between the territories of that other Party and those of any third country.

2. Neither Party shall impose exchange restrictions as defined in paragraph 5 of this Article except to the extent that they are necessary to prevent its monetary reserves from reaching a very low level or to achieve increases Moderate in very low monetary reserves. It is understood that the provisions of this Article do not alter the obligations that the Parties may have with the International Monetary Fund or prevent the imposition of special restrictions provided that the Fund specifically authorizes them or requests a Party imposing such special restrictions.

3. If any of the Parties imposes exchange restrictions in accordance with paragraph 2 of this Article, it shall adopt, after taking any action that may be necessary to ensure the availability of foreign currency for articles and services essential for health and Reasonable provisions for the withdrawal, in the currency of the other Party, of

(a) The compensation referred to in paragraph 4 of Article VI,

(b) Earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and

(c) Sums for repayment of loans, depreciation of direct investments and capital transfers, taking into account special needs for other transactions. If more than one exchange rate is in force, the rate applicable to such withdrawals shall be that specifically approved by the International Monetary Fund for such transactions, or in the absence of such a rate, an effective rate which, including any tax or surcharge on Currency transfers, be fair and reasonable.

4. Neither Party shall impose exchange restrictions unnecessarily detrimental or arbitrarily discriminatory to the rights, investments, transport, trade and other interests of the nationals and enterprises of the other Party, nor to its position to compete.

5. The term "exchange restrictions", as used in this Article, includes any restrictions, regulations, charges, contributions or other conditions imposed by any of the Parties and which recharges or obstructs payments, remittances or transfers of funds Or negotiable instruments between the territories of the two Parties.

Article XIII.

Travelers who represent nationals and companies of any of the Parties and who engage in business in their territories shall be accorded the treatment of the nation as soon as they enter and leave those territories and during their stay therein. Favored in respect of customs and other matters, including taxes and levies applicable thereto, their samples and the obtaining of orders, except as provided in paragraph 5 of Article XI, and in the regulations governing the exercise of their functions.

Article XIV.

1. Each Party shall accord most-favored-nation treatment to the products of the other, irrespective of the place of origin and whatever means of transport they may arrive at, as well as products intended for export To the territories of the other, whatever the route and means of transport, with respect to customs duties and other charges, or taxes on the international transfer of funds for the payment of imports or exports, as well as for all Other regulations, requirements or formalities imposed on or in connection with imports or exports.

2. Neither Party shall impose any prohibition or restriction on the importation of any product of the other Party nor on the export of any product to the territories of the other Party unless the import of a like product from all other countries, Or the export of a product similar to all other countries, is equally restricted or prohibited.

3. If either Party imposes quantitative restrictions on the importation or exportation of any product in which the other Party has an important interest:

(a) As a general rule, it shall publish in advance a notice of the total amount of the product, in quantity or value, that may be imported or exported during a given period, and any change in such amount or period; and

(b) if awards are made to any third country, a proportionate share of the quantity of the product, in quantity or value, supplied by it or during an earlier representative period shall be granted to the other Party, taking due account of any circumstance Which affects trade in that product.

4. Either Party may impose prohibitions or restrictions on health or other customary grounds of a non-commercial nature, or with a view to preventing misleading or unfair procedures, provided that such prohibitions or restrictions do not establish arbitrary discrimination against the trade of the other Party Part.

5. Each Party shall accord to nationals and companies of the other national and most favored nation treatment in respect of all matters relating to importation and exportation.

6. The provisions of this Article shall not apply to the advantages accorded by each Party:

(a) the products of their national fisheries;

(b) neighboring countries, in order to facilitate border traffic; or

(c) by virtue of a customs union or a free-trade area to which one or other of the Parties enters as a member, or by virtue of an interim agreement to form a customs union or free zone Trade in which one or other of the Parties participates, after informing the other Party of such plans to give it an appropriate opportunity to express its views on the matter. The interim agreement referred to in the previous clause will include a plan and a defined program for the formation of a customs union or a free trade area.

Article XV.

1. Each Party shall promptly publish laws, regulations and administrative rulings of general application relating to customs duties, taxes or other charges, to the classification of articles for customs purposes and to requirements or restrictions on imports and exports or to the transfer Of funds to pay for them, or that affect their sale, distribution or use; And shall apply such laws, regulations and decisions in a uniform, impartial and reasonable manner. As a general rule, new administrative requirements or restrictions affecting imports, with the exception of requirements imposed for health reasons or for reasons of public security, shall not enter into force more than thirty days after their publication, or, as an alternative, shall not apply to products in transit on the date they are published.

2. Each Party shall have an appeal procedure under which nationals and companies of the other Party and importers of products of that other Party may obtain prompt and impartial review and, where appropriate, the amendment of administrative acts Related to customs matters, including the imposition of fines and sanctions, confiscations and decisions on matters of customs classification and valuation issued by the administrative authorities. Penalties imposed for breach of customs and shipping laws and regulations concerning documentation shall be simply nominal in the case of feather errors or where good faith can be demonstrated.

Article XVI.

1. The products of each Party shall be accorded, in the territories of the other Party, national and most-favored nation treatment in all matters relating to internal taxation, sale, storage, distribution and use.

2. Goods produced by nationals and companies of either Party in the territories of the other Party or by enterprises of the latter Party under the predominance of nationals and enterprises of the other Party shall be accorded treatment therein less favorable than that accorded to similar articles of national origin, irrespective of the persons or companies producing them, in all matters affecting the export, taxation, sale, distribution, storage and use.

3. The Parties recognize that the term coffee, without qualifier, should be used exclusively to designate the coffee bean and consumer products prepared with that grain, and agree to maintain the practices currently observed to prevent that term being used In trade deceptively, whether by means of counterfeiting or other means.

Article XVII.

1. Each Party undertakes:

(a) That companies owned by the Government, or under its control, and monopolies or organizations enjoying exclusive or special privileges in their territories, make their purchases, when they involve imports or exports Which affect the trade of the other Party, on a strictly commercial basis, taking into account prices, qualities, availability, markets, transport and other circumstances that must be taken into account in the sales and purchases; and

(b) That the nationals and companies and trade of that other Party enjoy adequate opportunities, in accordance with the custom of commerce, to compete in such sales.

2. Each Party shall accord to nationals, companies and the trade of the other Party a fair and equitable treatment, similar to that accorded to nationals, companies, and commerce of any third country, in respect of:

(a) Purchase Of elements by the Government;

(b) The granting of government concessions and the conclusion of contracts with the Government; and

(c) The sale of any service by the Government or by any monopoly or body enjoying exclusive or special privileges.

3. Neither Party shall impose measures of a discriminatory nature that hinder or prevent importers or exporters of products from either country from obtaining maritime insurance on such products from companies of either Party.

Article XVIII.

1. Both Parties recognize that trade practices that restrict competition, restrict market access or promote monopoly could have adverse effects with respect to trade between their respective territories, whether such practices are carried out by one or more public or private commercial enterprises, or by a combination, agreement or other arrangement between various public and private enterprises. Accordingly, each Party agrees to consult with the other Party, at its request with respect to such practices, and to take such action as it deems appropriate to remove the abovementioned adverse effects.

2. The Parties recognize that conditions of equality must be maintained in order to compete in circumstances where commercial or industrial enterprises owned or publicly owned by one or other of the Parties compete in their territories with enterprises owned or controlled by nationals and companies Of the other Party. Accordingly, such private undertakings, in such circumstances, shall be entitled to the benefits of any special economic advantage granted to such public undertakings, whether in the form of subsidies, tax exemptions or otherwise. However, the foregoing provision shall not apply to special advantages granted in connection with:

(a) The manufacture of goods for use by the Government, or the supply of goods for use by the Government, or the supply of goods and services to the Government. Government for its use; or

(b) Supplies at prices substantially lower than those of competition, the needs of particular groups of population, essential goods and services which can hardly be obtained by other groups; Nor shall it be applicable to activities related to government programs to regulate the domestic product market, including the purchase and sale thereof, in order to stabilize prices.

3. No company of any of the Parties, including corporations, associations and government agencies, which is owned or publicly owned, engaged in commercial, industrial, transportation or other commercial operations within the territory of the other Party Party, may claim or enjoy, either for himself or for his property, immunity in that territory, in respect of taxes, judicial proceedings, execution of judgments and other obligations to which companies possessing in that territory are subject And private individuals.

Article XIX.

1. There shall be freedom of trade and navigation between the territories of the two Parties.

2. Flag ships of one or other of the Parties which bear the documents required by their laws as proof of nationality shall be taken by vessels of that Party, both on the high seas and in the ports, places and waters of the other Party.

3. The ships of one or other of the Parties shall enjoy the freedom, under the same conditions as the ships of the other Party, and under the same conditions as the ships of any third country, in order to arrive with their cargoes at all ports, Places and waters of that other Party open to foreign navigation and commerce. Such ships and cargoes shall in any case be accorded national and most favored nation treatment in the ports, places and waters of the other Party; But each Party may reserve exclusive rights and privileges to its own vessels in respect of cabotage, inland navigation and domestic fisheries.

4. The ships of each Party shall be accorded national and most-favored-nation treatment by the other with respect to the right to transport all products which may be carried by ship to the territories of that other Party or from they; And such products shall be accorded treatment no less favorable than that accorded to like products which are carried on vessels of that other Party in respect of: (a) duties and charges of any kind, (b) customs administration, and (c) bonuses, reimbursements, and other privileges of this nature.

5. The ships of one or other of the Parties that are in danger shall be allowed to arrive from forced arrival at the nearest port or anchorage of the other Party and shall receive friendly treatment and assistance.

6. The term "ships", as used herein, means all kinds of ships, whether owned or operated privately or owned or operated publicly; Except as regards paragraphs 2 and 5 of this Article, does not include fishing vessels or warships.

Article XX.

There will be freedom of transit in the territories of each Party by the most convenient routes for international transit:

(a) for nationals of the other Party and their baggage;

(b) for other persons and their baggage, in transit to or from the territories of the other Party; Y

(c) for products of any origin, in transit to or from the territories of the other Party.

Such persons and products in transit shall be exempt from customs transit duties and other rights and from unreasonable charges and requirements and shall not be subject to unnecessary delays and restrictions. However, they shall be subject to the measures referred to in paragraph 4 of Article II and to the non-discriminatory regulations necessary to avoid abuse of transit privileges.

Article XXI.

1. This Treaty shall not preclude the application of measures which:

(a) regulate the import or export of gold or silver;

(b) relate to materials of disintegrable atoms, radioactive by-products derived from the use or processing thereof, or materials that are source materials for disintegrable atoms;

(c) regulate the production or trafficking of arms, ammunition or instruments of war, or the trafficking of other materials intended directly or indirectly to supply a military establishment;

(d) are necessary to fulfill the obligations of either Party to maintain or restore international peace and security or necessary to protect its essential interests and security; And

(e) deny any company in which the nationals of a third country or countries have a predominant direct or indirect interest, the advantages of this Treaty, except for the recognition of legal status and access to Courts.

2. The provisions of this Treaty on most-favored-nation treatment in relation to goods shall not apply to advantages granted by the United States of America or its Territories and possessions to each other or to those granted by the United States to the United States of America Republic of Cuba, the Republic of the Philippines, the Territory under the tutelage of the Pacific Islands or the Panama Canal Zone.

3. The provisions of this Treaty on the treatment of goods do not prevent the action of one or other of the Parties that the General Agreement on Tariffs and Trade requires or specifically permits during the period in which that Party is a party to

the General Convention. Likewise, the most-favored-nation provisions of this Treaty shall not apply to special advantages granted under that Convention.

4. The provisions of this Treaty with respect to most-favored-nation treatment, with the exception of those relating to importation and exportation, shall not apply to the advantages which the Republic of Nicaragua grants to other Central American countries within a program Regional economic integration. With regard to the advantages that Nicaragua may grant to the Central American countries with respect to importation and exportation, the provisions of Article XIV of this Treaty shall prevail.

5. The nationals of either Party admitted in the territories of the other Party for limited purposes shall not have the right to engage in lucrative occupations in contravention of the limitations expressly imposed under the Act as a condition For admission.

Article XXII.

1. The term "national treatment" means treatment accorded in the territories of either Party on terms no less favorable than the treatment accorded therein in similar circumstances to nationals, companies, products, vessels or other Objects, as the case may be, of that Party.

2. The term "most-favored-nation treatment" means the treatment accorded in the territories of either Party under conditions no less favorable than the treatment accorded therein in similar circumstances to nationals, companies, products, Ships or other objects, as the case may be, from any third country.

3. As used in this Agreement, the term "companies" means corporations, companies, companies and other associations, whether or not they are limited liability companies and whether or not for profit. Companies incorporated under the laws and regulations applicable in the territories of either Party shall be held by companies of the same and their legal status shall be recognized in the territories of the other Party.

4. National treatment granted in accordance with the provisions of this Treaty to Nicaraguan companies shall be, in any State, Territory or possession of the United States of America, the treatment accorded thereto to companies incorporated or organized in other States, Territories and possessions of the United States of America.

Article XXIII.

The territories to which this Treaty refers shall include all areas of land and sea that are under the sovereignty or authority of each Party, with the exception of the Panama Canal Zone and the Territory of the Pacific Islands under guardianship.

Article XXIV.

1. Each Party shall give amicable consideration to representations which the other Party may make to it on any matter affecting the application of this Treaty and shall afford the other Party an opportunity for consultation.

2. Any dispute between the Parties concerning the interpretation or application of this Treaty which is not satisfactorily settled through diplomatic channels shall be submitted to the International Court of Justice unless the Parties agree to settle it by some other peaceful means.

Article XXV.

1. This Treaty shall be ratified and ratifications shall be exchanged in Managua, D. N. as soon as possible.

3. It is understood that Article V, paragraph 2, does not require a Party to execute an arbitral award that is contrary to public policy.

4. The provisions of Article VI, paragraph 4, relating to expropriation compensation shall apply to interests directly or indirectly held by nationals and companies of either Party in goods expropriated in the territories of the other Party.

5. With respect to paragraph 4 of Article VII, either Party may require that the rights to engage in mining in public domain lands shall depend on the existence of reciprocity.

6. The term "public service enterprise" used in paragraph 2 of Article VII includes companies engaged in providing communication, water, transport, bus, truck or rail services, or in the manufacture and distribution of gas Or electricity to the general public.

7. The provisions of subsections (o) and (c) of paragraph 2 of Article XVII, and of paragraph 4 of Article XIX, shall not apply to postal services.

8. The provisions of paragraph 2 of Article XXI shall apply in the case of Puerto Rico, notwithstanding any changes that may occur in its political state.

9. Article XXIII shall not apply to territories under the authority of either Party only as military bases or because of temporary military occupation.

In faith of which the respective Plenipotentiaries sign this Protocol and stamp it with their seals.

Done in duplicate, in the English and Spanish languages, both copies of equal authenticity, in Managua, D. N., on the twenty-first day of January, one thousand nine hundred and fifty-six.

Thomas E. Whelan

Ambassador Extraordinary and Plenipotentiary of the United States of America [seal]

Oscar Sevilla Sacasa

Minister of Foreign Affairs [seal]