Agreement between the Belgo-Luxembourg Economic Union and the Government of the Republic of Bolivia on the reciprocal encouragement and protection of investments.

The Government of the Kingdom of Belgium, both in his name and on behalf of the Government of the Grand Duchy of Luxembourg, under existing agreements, and the Government of the Republic of Bolivia,

Desiring to intensify economic cooperation through the creation of favourable conditions for investment by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing the positive impact that may exercise such an agreement with a view to improving the business contacts and to enhance confidence in the field of investment,

Have agreed as follows:

Article 1.

1. The term investor means:

a) Any natural person who, according to the laws of Belgium, Bolivia or Luxemburg is considered as a citizen of the Kingdom of Belgium, the Grand-Duchy of Luxembourg or of the Republic of Bolivia respectively;

b) Any legal person constituted under the laws of Belgium, Bolivia or Luxemburg and having its registered office in the territory of the Kingdom of Belgium, the Grand-Duchy of Luxembourg or of the Republic of Bolivia respectively.

2. The term investment means every asset any and all direct or indirect, in cash or in kind, invested or reinvested services in any sector of the economy.

The following shall be considered in particular, though not exclusively, as investments within the meaning of this Agreement:

a) Movable and immovable property as well as any other rights in rem such as mortgages, liens, pledges, usufruct and similar rights;

b) The shares, stocks and any other forms of participation, even indirect minority, or to companies established in the territory of one of the Contracting Parties;

c) The obligations and rights, claims to any prestationsayant an economic value;

d) Copyrights, industrial property rights, such as patents, licences, trademarks, industrial designs or models, technical processes, trade names, know-how and goodwill;

e) The concessions under public law or under contract, including those relating to prospecting, culture, extract or exploit natural resources.

Any alteration of the form in which assets and capital invested or reinvested shall not affect their classification as investment within the meaning of this Agreement.

3. The term means the amounts yielded returns by an investment and in particular, though not exclusively, interests, profits, capital increases, dividends, royalties or fees.

Article 2.

1. Each Contracting Party shall encourage investments of investors of the other contracting party in its territory and admit

such investments in accordance with its legislation.

2. In particular, each Contracting Party shall permit the conclusion and the carrying out of licensing agreements and contracts for commercial, administrative or technical assistance, in so far as these activities were related to investments.

3. This Agreement shall apply to investments made before its entry into force in the territory of each of the Contracting Parties with investors of the other contracting party.

Article 3.

1. All existing or future investments made by investors of one of the Contracting Parties shall, in the territory of the other contracting party fair and equitable treatment.

2. Subject to the measures necessary for the maintenance of public order, such investments shall enjoy constant protection and security, excluding any unjustified or discriminatory measure which could adversely affect, in law or in fact, their management, maintenance, use, enjoyment or disposal.

3. The treatment and protection referred to in paragraphs 1 and 2 shall be at least equal to those enjoyed by investors of a third country and shall in no case be less favourable than those accorded by international law.

4. However, this treatment and such protection shall not extend to the privileges which either Contracting Party accords to investors of a third State by virtue of:

a) Its participation in or association of a free trade area, customs union, Common Market or any other form of international economic organizations;

b) An agreement for the avoidance of double taxation or any other arrangement relating to taxation.

Article 4.

1. Each Contracting Party undertakes not to take directly or indirectly any measure of expropriation or nationalization or any other measures having similar effect against investments belonging within its territory to investors of the other contracting party.

2. If the requirements of public security or national interest justify derogation from paragraph 1, the following conditions shall be complied with:

a) The measures shall be taken under due process;

b) They are neither discriminatory nor contrary to a specific commitment;

c) They are accompanied by provisions for the payment of adequate and effective compensation.

3. The amount of compensation will correspond to the real value of the affected investments immediately before the date on which the measures taken or to be made public.

The compensation shall be paid in the currency of the Member State to which the investor. It shall include interest at a normal commercial rate from the date of establishment until the date of payment, it shall be paid without delay and freely transferable, regardless of the place of residence or the headquarters of the claimant.

4. Investors of one of the Contracting Parties whose investments have suffered damage as a result of war or any other armed conflict, revolution, state of national emergency or revolt in the territory of the other Contracting Party shall be accorded by the latter treatment at least equal to that accorded to investors of the most-favored nation with respect to restitution, indemnification, compensation or other relief.

5. For the matters governed by this article, each Contracting Party shall accord to investors of the other country treatment at least equivalent to that provided in its territory for investors of the most favoured nation. this treatment shall in no case be less favourable than that recognised by international law.

Article 5.

1. Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant those investors the free transfer of their liquid assets and in particular:

a) The return of investments, including interests profits, dividends, royalties, capital;

b) The amounts required for the repayment of loans contracted regularly;

c) Claims of the recovery of the proceeds of the total or partial liquidation of investments, including capital gains or increases in the capital invested;

d) Compensation paid pursuant to article 4;

e) Royalties and other payments deriving from the licence fees and commercial or administrative assistance.

2. The nationals of either Contracting Party who are authorised to work in connection with an investment approved in the territory of the other Contracting Party shall also be authorised to transfer their country of origin in a proportion appropriate remuneration.

3. Each Contracting Party shall issue the required authorisations to ensure the execution of transfers without undue delay and without any fees or other charges that the usual costs. The guarantees provided for by this article shall be at least equal to those accorded to investors in like circumstances of the most favoured nation.

Article 6.

1. The transfers referred to in articles 4 and 5 of this Agreement shall be made at the rate of exchange applicable on the date of the latter and in accordance with the foreign exchange regulations in force in the State in whose territory the investment has been made.

2. These rates shall in no case be less favourable than those accorded to investors of the most favoured nation, including by virtue of specific commitments, provided for in any of the concluded agreements or arrangements with regard to the protection of investments.

3. In all cases, the rates shall be fair and equitable.

Article 7.

1. If one of the Contracting Parties or a public agency thereof pays compensation to its own investors under a guarantee given in respect of an investment, the other Contracting Party shall acknowledge that the rights of the indemnified investors have been transferred to the Contracting Party or to the public body, as the insurer.

2. In the same way as investors, and within the limits of the rights so transferred, the insurer may, by virtue of subrogation to exercise the rights and assert the claims of investors and those relating thereto.

The rights of subrogation shall also apply to the transfer of rights and to arbitration referred to in articles 5 and 11.

These rights may be exercised by the insurer within the limits the number of covered by the contract of guarantee, and by the investor to guarantee the recipient, within the limits of the risk that is not covered by the contract.

3. As far as the transferred rights, the other Contracting Party shall be entitled to plead against the insurer, subrogated into the rights of the investors indemnified the obligations under a legal or contractual relationship with them.

Article 8.

Where a matter relating to investment is governed by this Agreement and simultaneously by the national legislation of either Contracting Party or under existing international conventions or undertaken by the parties in the future, investors of the other contracting party may avail itself of the provisions which are more favourable.

Article 9.

1. Investments covered by a special agreement between investors of one Contracting Party and the other party shall be governed by the provisions of this Agreement and in accordance with the provisions of this Agreement.

2. Each Contracting Party shall at all times compliance with the commitments it has made to investors of the other contracting party.

Article 10.

1. Any dispute concerning the interpretation or application of this agreement should, if possible, be settled through diplomatic channels.

2. In the absence of regulation through diplomatic channels, the dispute is submitted to a joint commission composed of representatives of both sides, which shall meet at the request of either party diligent and without undue delay.

3. If the Joint Committee cannot settle the dispute, it shall be submitted, at the request of either Contracting Party, to an arbitration procedure implemented, for each individual case, in the following manner :

Each Contracting Party shall appoint an arbitrator within a period of three months from the date on which either Contracting Party has informed the other of its intention to submit the dispute to arbitration. Within two months after their appointment, the two arbitrators shall appoint by mutual agreement a national of a third State who shall be Chairman of the Panel of Arbitrators.

If the time limits have not been made, either Contracting Party may invite the President of the International Court of Justice to make the appointment of the arbitrator or arbitrators not appointed.

If the President of the International Court of Justice is a national of either Contracting Party or of a State with which either Contracting Party does not maintain diplomatic relations or if he is otherwise prevented from exercising this function, the Vice-President of the International Court of Justice shall be invited to make the appointment.

4. The Panel thus constituted shall determine its own rules of procedure. Its decisions shall be taken by a majority of the votes; they shall be final and binding on the contracting parties.

5. Each Contracting Party shall bear the costs of its appointed arbitrator. The costs resulting from the appointment of the third arbitrator and operating expenses of the panel shall be borne in equal parts by the contracting parties.

Article 11.

1. Any investment dispute between an investor of one Contracting Party and the other Contracting Party, shall be the subject of a written notification, accompanied by an aide-memoire sufficiently detailed, by the most expeditious party.

To the extent possible, the dispute shall be settled amicably between the parties to the dispute and otherwise by conciliation between the Contracting Parties through diplomatic channels.

2. In the absence of amicable settlement by direct arrangement between the parties to the dispute by conciliation or through diplomatic channels within six months of its notification, the dispute is submitted to international arbitration.

To this end, each Contracting Party consents advance irrevocable and that any dispute to arbitration. this consent implies that they shall waive the requirement of exhaustion of administrative or judicial remedies.

3. In the event of recourse to international arbitration, the dispute shall be submitted to an arbitral institutions described below, at the choice of the investor:

- The 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 would be a member thereof. 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;

- The Court of Arbitration of the International Chamber of Commerce in Paris;

- The Arbitration Institute of the Stockholm Chamber of Commerce. If the arbitration proceedings shall be submitted at the request of either Contracting Party, the request in writing of the investor concerned to express his choice in the arbitration body which shall be seized of the dispute.

4. No Contracting Party, party to a dispute, shall raise an objection at any stage of the arbitration proceedings or the enforcement of an arbitration award on the ground that the investor, the adverse party to the dispute, has received compensation covering all or part of its losses under a policy of insurance or under the guarantee provided for in Article 7 of this Agreement.

5. The arbitral tribunal shall decide on the basis of the national law of the Contracting Party involved in the dispute in whose territory the investment is located, including the rules relating to conflicts of law, the provisions of this Agreement, the terms of the specific agreement which would be reached on investment, as well as the Principles of International Law

6. The arbitration awards shall be final and binding on the parties to the dispute. each Contracting Party undertakes to execute the award according to its national law.

Article 12.

For all matters relating to the treatment of investments of investors of either Contracting Party shall enjoy, in the territory of the other party, the most-favoured-nation treatment.

Article 13.

1. This Agreement shall enter into force one month after the date on which the contracting parties have exchanged their instruments of ratification.

It shall remain in force for a period of ten years. unless one of the Contracting Parties denounces it at least six months before the expiration of the period of validity, whenever it shall be automatically renewed for a further period of ten years, each contracting party reserving the right to terminate the agreement by a notification made at least six months before the date of expiry of the current period of validity.

2. Investments made prior to the date of termination of this Agreement shall continue to apply for a period of ten years from that date.

Done at Brussels on 25 April 1990 in two originals, each in Dutch, French and Spanish languages, all texts being equally authentic.

For the Belgo-Luxembourg Economic Union

The Minister of Foreign Affairs

M. EYSKENS

For the Government of the Republic of Bolivia

The Minister of Foreign Afairs and Worship

C. ITURRALDE BALLIVIAN