

The United Mexican States and the Eastern Republic of Uruguay, hereinafter referred to as the contracting parties;

Efforts to strengthen economic cooperation to the benefit of both countries and, in particular, create favourable conditions for investments by investors of one Contracting Party in the territory of the other contracting party;

Recognizing that the reciprocal promotion and protection of such investments encourage the expansion of economic relations between the two countries and stimulate investment initiatives;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term investment means every kind of asset invested in economic activities by an investor of one Contracting Party in the territory of the other contracting party, in accordance with the laws and regulations of the latter and includes in particular, though not exclusively:

- a) Ownership of movable and immovable property as well as other rights in rem such as mortgages, liens, pledges and similar rights;
- b) Actions and social quotas or any other form of participation in companies;
- c) Claims to money, debentures of companies or having any benefit economic value associated with an investment;
- d) Intellectual Property Rights, including copyrights, patents, trademarks, trade names, industrial designs, trade secrets, know-how, know-how, key value (Standing and customers), which are associated with an investment;
- e) Rights derived from economic concessions conferred by law or under contract.

A change in the form in which assets are invested shall not affect their character as an investment, provided that such change is defined above.

Commercial transactions designed exclusively for the sale of goods or services and provisions for commercial transactions with a duration of less than three years, and credits granted by the State or a state enterprise, are not considered an investment;

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

3. The term investor "means any natural or legal person who invests in the territory of the other contracting party, by:

- a) "natural person" means any natural person who has the nationality of a Contracting Party in accordance with its laws;
- b) "legal person" means any entity constituted in accordance and recognized as such by the laws and regulations of one Contracting Party and having its seat in the territory of that Contracting Party.

However, this Agreement shall not apply to investments made by natural persons who are nationals of both contracting parties.

4. The term "territory means:

The territory of each Contracting Party, including the territorial sea, as well as the exclusive economic zone and continental shelf and the subsoil, over which the contracting party exercises sovereign rights or jurisdiction in accordance with international law.

Article 2. Promotion and Admission of Investments

1. Each Contracting Party shall encourage favourable conditions for investors of the other contracting party to invest in its territory and shall admit such investments in accordance with its legislation.

2. The Contracting Parties in accordance with its laws, dealt with leniency applications for immigration residence and work permits of key personnel of a contracting party in connection with an investment who wish to enter the territory of the other contracting party.

Article 3. Treatment of Investments

1. Each Contracting Party shall accord to investments and annuities received by investors of the other contracting party in its territory in a fair and equitable and no less favourable than that accorded to investments and annuities received by its own to investments or investors and annuities received by investors of a third State and full protection and security.

2. Each Contracting Party shall accord fair and equitable treatment and full protection and security to investors of the other contracting party in relation to the management, maintenance, use, enjoyment or disposal of investments in its territory, and not less favourable than that it accords to its own investors to investors or of any third State.

3. The provisions of paragraphs 1 and 2 of this article shall not be interpreted as an obligation of one contracting party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from: paragraphs 1 and 2 of this article shall not be interpreted as an obligation of one contracting party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

a) Any customs union or free trade area or a monetary union or similar international agreement leading to such unions or institutions or other forms of regional cooperation to which either Contracting Party is or may become a party;

b) Any international agreement on tax or for the avoidance of double taxation.

Article 4. Compensation

When investments made by investors of one Contracting Party suffer losses owing to war, armed conflict, a national state of emergency, revolt, revolution, insurrection or any other similar event in the territory of the other Contracting Party, shall be accorded by the latter Contracting Party as regards treatment, restitution, indemnification, compensation or other settlement, not less favourable than that which the latter Contracting Party agrees to its own investors to investors or of any third State.

Article 5. Expropriation and Compensation

1. Any Contracting Party may directly or indirectly expropriate or nationalize an investment of an investor of the other contracting party in its territory or take any measure equivalent to expropriation or nationalisation, unless the following conditions are met:

a) To be taken for reasons of public purpose;

b) That is not discriminatory;

c) That is in accordance with due process of law;

d) That is through compensation pursuant to paragraphs 2 through 4 of this artículo.párrafos 2 to 4 of this article.

2. The compensation shall be equivalent to the market value of the expropriated investment immediately before the expropriation took place (date of expropriation measure expropiatoria) or before the public. Valuation criteria shall include going concern value declared tax, value of tangible property as well as other criteria that are appropriate for determining the market value.

3. The compensation shall be made without delay, be effectively realizable and freely transferable or realized.

4. The amount paid shall be no less than the amount of compensation paid on the date of expropriation in a currency conversion of free in the international financial market and that currency shall be made at the market rate prevailing on the date of valuation, plus interest at a commercially reasonable rate for that currency until the date of payment.

Article 6. Transfers

1. The Contracting Parties shall allow the free transfer of the investments and income. Transfers shall be made in a freely convertible currency, without any restriction or delay. Such transfers shall include in particular, though not exclusively:

- a) The principal and additional amounts necessary for the maintenance and development of the investment;
 - b) The income;
 - c) The funds in repayment of loans;
 - d) The proceeds of sale or liquidation of the investment;
 - e) Salaries, wages and other remunerations received by natural persons of a Contracting Party on its work or services conducted in the other contracting party in connection with an investment.
2. For the purposes of this Agreement, the exchange rate shall be the rate applicable to the current transactions at the date of transfer.
3. Transfers shall be deemed to have been made 'without delay' within the meaning of paragraph 1 of this Article if they were made within the time normally required for the completion of the transfer formalities. That period shall in no case exceed two months from the date of filing of the application, if necessary.
4. Notwithstanding paragraphs 1 and 2 of this article, a Contracting Party may delay or prevent a transfer through the equitable and non-discriminatory and in good faith to its laws and regulations: paragraphs 1 and 2 of this article, a Contracting Party may delay or prevent a transfer through the equitable and non-discriminatory and in good faith to its laws and regulations:
- a) In order to protect the rights of creditors, pursuant to a judicial decision;
 - b) Or relating to ensuring compliance with laws and regulations:
 - (i) For the issuance, transfer and securities and futures, options and derivatives;
 - (ii) Concerning reports or records of transfers, or
 - c) In connection with criminal offences and awards or orders in administrative procedures;

Provided that such measures and their application shall not be used as a means of avoiding compliance with commitments or obligations of the Contracting Parties contained in the Agreement.

Article 7. Subrogation

If a Contracting Party or an entity designated by it has provided any financial guarantee on non-commercial risks in connection with an investment made by its investors in the territory of the other Contracting Party and from the first time that the contracting party or its designated agency makes payment under the first guarantee granted by the contracting party or its designated entity shall direct beneficiaries of any payments to which the investor could be secured. In the event of a dispute, the investor may initiate or participate in proceedings before national courts or tribunals of international arbitration in accordance with the provisions of article 8 of this Agreement.

Article 8. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Scope and right of action

A. This article shall apply to disputes between a Contracting Party and an investor of the other Contracting Party, arising from the date on which the Agreement enters into force, regarding an alleged breach of an obligation of the former under this Agreement, which causes loss or damage to the investor or its investment. A legal entity that is an investment in the territory of a Contracting Party, made by an investor of the other contracting party may not submit a claim to arbitration in accordance with this article.

B. If an investor of a Contracting Party or its investment that is a juridical person in the territory of the other contracting party, initiate proceedings before a national court with respect to a measure constituting an alleged breach of this Agreement, the dispute may not be submitted to arbitration under this appendix. In the event that an investor has submitted the dispute to international arbitration, the choice of the procedure shall be final. The exemptions shall not apply to administrative proceedings before administrative authorities to implement the measure alleged breach.

C. In the event that an investor of a Contracting Party to submit a claim to arbitration or the investor or the legal entity that is an investment in the territory of the other Contracting Party may continue or initiate proceedings before a national court.

2. Means of settlement, time periods

A. The dispute, if possible, be settled by negotiation or consultation. If not settled, the investor may choose to submit the dispute for resolution:

- a) To the competent courts of the Contracting Party which is a party to the dispute;
- b) In accordance with any dispute settlement procedure applicable previously agreed, or
- c) In accordance with article to:
 - i) The International Centre for International Settlement Centre for Settlement of Investment Disputes (the Centre), established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention ") when both contracting parties have adhered to the same;
 - ii) The Centre under the Rules of the additional facility for the administration of proceedings by the secretariat of the Centre, if one of the contracting parties, but not both, is a party to the ICSID Convention;
 - iii) An ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL);
 - iv) The International Chamber of Commerce, an ad hoc tribunal according to its rules of arbitration.

B. The applicable arbitration rules shall govern the same except to the extent modified by this section.

C. A dispute may be submitted for resolution pursuant to paragraph 1 (c), after six months have elapsed since the events giving rise to the claim took place, provided that the investor has delivered to the Contracting Party which is a party to the dispute, a written notification of its intention to submit the claim to arbitration at least sixty days in advance, and provided that there is a period of 3 years after the date on which the investor first had or should have had knowledge of the events which gave rise to the controversia.párrafo 1 C, after six months have elapsed since the events giving rise to the claim took place, provided that the investor has delivered to the Contracting Party which is a party to the dispute, a written notification of its intention to submit the claim to arbitration at least sixty days in advance, and provided that there is a period of 3 years after the date on which the investor first had or should have had knowledge of the events which gave rise to the dispute.

3. Consent of the Contracting Party Each Contracting Party gives its unconditional consent to the submission of a dispute to international arbitration in accordance with this appendix.

4. Integration of the arbitral tribunal

A. Unless the parties agree otherwise, the arbitral tribunal shall be composed of three members. Each Party to the dispute shall appoint one member and these two members shall agree to appoint a Third Member as their chairman.

B. The members of the arbitral tribunals shall have experience in International Law and investment.

C. If an arbitral tribunal has not been constituted within a period of 90 days from the date on which the claim was submitted to arbitration, either because of warring parties not appointed or elected members have not reached an agreement on the President, the Secretary-General of OAS, at the request of any of the Parties to the conflict, shall be invited to appoint its discretion, the Member or Members not yet appointed. However, when the Secretary-General of OAS, appoint a chairman, shall ensure that it is not a national of either of the Contracting Parties.

5. Consolidation

A. A consolidation tribunal established under this article shall be established in accordance with the UNCITRAL Arbitration Rules and shall proceed in accordance with those Rules, except as modified by this Section.

B. The procedures shall be in the following cases:

a) Where an investor submits a claim on behalf of a juridical person that is owned or controlled by it and an investor or other investors participating in the same legal person, but without the control, submit claims for own account as a result of the breach of this Agreement; or

b) Where two or more of the claims are submitted to arbitration, under common issues of fact and law.

C. The Tribunal shall decide the jurisdiction of consolidation of claims and jointly review such claims, except that determines that the interests of any opposing side are affected.

6. Place of arbitration Any arbitration under this article shall be held in a State that is a party to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention). Claims submitted to arbitration under this appendix shall be considered to arise out of a commercial relationship or transaction for purposes of article 1 of the New York Convention.

7. Applicable law A tribunal established under this article shall decide the dispute in accordance with this Agreement and applicable rules and principles of international law.

8. Awards and implementation

A. Arbitral awards may take the following forms of resolution:

- a) A declaration that the contracting party has failed to fulfil its obligations under this Agreement;
- b) Compensation shall include interest from the time the loss or damage was caused until the date of payment;
- c) Restitution in kind in appropriate cases, unless the contracting party to pay compensation in lieu thereof where restitution is not practicable; and
- d) With the agreement of the Parties to the conflict, any form of resolution.

B. The arbitral awards shall be final and binding only in respect of warring parties and only in respect of the particular case.

C. The arbitral award shall be issued only if there is a written agreement of the parties involved.

D. A tribunal may not order a party to pay punitive damages.

E. Each Contracting Party shall take, in its territory, the measures necessary for the effective enforcement of the award in accordance with this article, and comply promptly with any award issued in a proceeding to which it is a party.

F. An investor may seek enforcement of an arbitration award under the ICSID Convention or the New York Convention.

9. Exclusions The dispute settlement mechanism of this article shall not apply to measures adopted by a contracting party which, in accordance with its laws and for reasons of national security, restrict or prohibit the acquisition by investors of the other contracting party of an investment in the territory of the first Contracting Party that is owned or controlled by nationals.

Article 9. Settlement of Disputes between the Contracting Parties

1. Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall, if possible, be settled by consultations and negotiations.

2. If a dispute between the contracting parties cannot be settled within six months from the date of request for consultations shall be submitted, at the request of either contracting party to an arbitral tribunal under this article.

3. The arbitral tribunal shall be established for each individual case in the following way: within two months of receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. Those two members shall select a national of a third State, who both Contracting Parties shall be appointed Chairman of the Tribunal. The Chairman shall be appointed within four months from the date of receipt of the request for arbitration.

4. If, within the time limits referred to in paragraph 3 of this Article, the necessary appointments have not been made, either Contracting Party shall, in the absence of any other agreement, invite the President of the International Court of Justice to make the appointments. If the President is a national of either Contracting Party or is prevented from performing such a function, the Vice-President shall be invited to make the appointments. If the Vice-President is a national of either Contracting Party or if he is also prevented from performing such a function, the senior member of the International Court of Justice who is not a national of either Contracting Party shall be invited to make the appointments.

5. The arbitral tribunal shall take its decision by majority vote and shall determine its own procedures, unless the Contracting Parties otherwise agree, and shall decide the dispute in accordance with the provisions of this Agreement and the applicable rules of international law. Such a decision shall be binding on both Contracting Parties. Each Contracting Party shall bear the fees of its member of the arbitral tribunal and the costs of representation in the arbitral proceedings; the Chairman's fees and other costs shall be divided equally between the two Contracting Parties. The court may, however, determine that a greater proportion of the costs shall be borne by one of the Contracting Parties, and this decision shall be binding on both Contracting Parties. The court will determine its own procedure.

6. A Contracting Party may not initiate proceedings in accordance with this Article. Article for a dispute relating to the violation of an investor's rights, which has been subjected by such an investor to the procedures under Article 8 of the this Agreement, unless the other Contracting Party fails or fails to comply with the award rendered in such a controversy. In this case, the arbitral tribunal established pursuant to this Article shall Article, upon the filing of an application by the Contracting Party whose investor was a party to the dispute, may order:

a) A statement that the failure or refusal of the final award is inconsistent with the obligations of the other Contracting Party in accordance with this Agreement; and

b) A recommendation that the other contracting party abide by and comply with the final award.

Article 10. Information Requirements

Notwithstanding the provisions of this Agreement, the contracting parties may require an investor of the other contracting party or of a legal person which has invested in its territory to provide routine information concerning that investment solely for purposes of statistical information. The Contracting Party shall protect such information that is confidential from any disclosure that would prejudice the competitive position of the investor or the investment.

Article 11. Implementation of the Agreement

This Agreement shall apply to all investments made before or after the date of its Entry into Force, but its provisions shall not apply to any dispute or difference claim, which arose before its Entry into Force.

Article 12. Application of other International Agreements

Where a matter is governed by this Agreement and simultaneously by another international agreement to which both contracting parties have adhered, nothing in this Agreement shall prevent either contracting party or one of its investors who own investments in the territory of the other Contracting Party the benefit of any rule is more favourable.

Article 13. Entry Into Force , Duration and Termination

1. This Agreement shall enter into force thirty (30) days later after the date on which the contracting parties have notified each other in writing of the completion of the constitutional requirements for the Entry into Force of this Agreement. The later date shall refer to the date of referral of the last notification letter.

2. This Agreement shall remain in force for a period of ten (10) years and shall be automatically extended for another period equivalent unless one of the Contracting Parties notifies the other contracting party of its intention to terminate it one year before the end of the period of ten years.

3. With respect to investments made or acquired prior to the date of termination of this Agreement, the provisions of all of the other articles of this Agreement shall remain in force for a period of ten (10) years from such date of termination.

Done at the city of Montevideo, Uruguay, within thirty days of the month of June 1999, in duplicate in the Spanish language, both texts being equally authentic.

For the United Mexican States: the Secretary of Commerce and industrial development, Herminio Blanco Mendoza. By the Eastern Republic of Uruguay, Luis Mosca Minister of Economy.