

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO FOR THE PROMOTION AND PROTECTION OF INVESTMENTS**

The Government of the Republic of Korea and the Government of the Republic of Trinidad and Tobago (hereinafter referred to as "the Contracting Parties"),

Desiring to intensify economic cooperation between both States,

Intending to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party, based on the principles of equality and mutual benefit,

Recognizing that the promotion and protection of investments on the basis of this Agreement will be conducive to the stimulation of individual business initiative and will increase prosperity in both States,

Respecting the sovereignty and laws of the Contracting Party within whose jurisdiction the investments fall, and

Convinced that these objectives can be achieved without relaxing health, safety and environmental measures of general application,

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. "investments" means every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party and, in particular, though not exclusively, includes:

(a) Movable and immovable property and any other property rights such as mortgages, liens, leases or pledges;

(b) Shares in, stocks and debentures of, and any other form of participation in a company or any business enterprise and rights or interest derived therefrom;

(c) Claims to money or to any performance under contract having an economic value, loans being included when they are related to investments;

(d) Intellectual property rights including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, technical processes, trade secrets and know-how, and goodwill;

(e) Business concessions having an economic value conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources; and

(f) Goods that, under a leasing contract, are placed at the disposal of a lessee.

Any change of the form in which assets are invested or reinvested shall not affect their character as an investment.

2. "returns" means the amounts yielded by investments and, in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties and all kinds of fees.

3. "investors" means any natural or juridical persons of one Contracting Party who invest in the territory of the other Contracting Party:

(a) The term "natural persons" means natural persons having the nationality of the former Contracting Party in accordance with its laws; and

(b) The term "juridical persons" means any entity such as companies, public institutions, authorities, foundations, partnerships, firms, establishments, organizations, corporations or associations incorporated or constituted in accordance with the laws and regulations of the former Contracting Party.

4. "territory" means:

(a) In the case of the Republic of Korea, the territory of the Republic of Korea as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea over which it exercises, in accordance with international law, sovereign rights or jurisdiction for the purpose of exploration and exploitation of the natural resources of such areas.

(b) In the case of the Republic of Trinidad and Tobago, the archipelagic State of Trinidad and Tobago, comprising the several islands of the Republic of Trinidad and Tobago, its archipelagic waters, territorial sea and airspace thereof, together with the adjacent submarine areas of the exclusive economic zone and the continental shelf beyond the territorial sea over which Trinidad and Tobago exercises sovereign rights or jurisdiction in accordance with the laws of Trinidad and Tobago and with international law.

5. "freely convertible currency" means a currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

## **Article 2. Promotion and Protection of Investments**

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.

2. Investments made by investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

3. Neither Contracting Party shall in any way impair by arbitrary, unreasonable or discriminatory measures the operation, management, maintenance, use, enjoyment or disposal of investments in its territory by investors of the other Contracting Party.

4. Returns from investments and in the event of their re-investment, the returns therefrom shall enjoy the same protection as the investments.

## **Article 3. Treatment of Investments**

1. Each Contracting Party shall in its territory accord to investments and returns of investors of the other Contracting Party treatment no less favourable than that which it accords to investments and returns of its own investors, or to investments and returns of investors of any third State, whichever is more favourable to investors.

2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party as regards management, maintenance, use, enjoyment or disposal of their investments, treatment no less favourable than that which it accords to its own investors, or to investors of any third State, whichever is more favourable to investors.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from any double taxation agreement or other international agreement regarding matters of taxation.

4. Such treatment shall not relate to privileges which either Contracting Party accords to investors of third States on account of its present or future membership of, or association with a customs or economic union, a common market or a free trade area or similar international agreement.

## **Article 4. Compensation for Losses**

1. Investors of one Contracting Party whose investments suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection, riot or other similar situations in the territory of the other Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other forms of settlement, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State. Resulting payments shall be freely transferable without undue delay.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from:

(a) Requisitioning of their property by its forces or authorities; or

(b) Destruction of their property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation, shall be accorded restitution or adequate compensation no less favourable than that which would be accorded under the same circumstances to an investor of the other Contracting Party or to an investor of any third State. Resulting payments shall be freely transferable without undue delay.

## **Article 5. Expropriation**

1. Investments of investors of one Contracting Party shall not be nationalized, expropriated or otherwise subjected to any other measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for public purpose and against prompt, adequate and effective compensation. The expropriation shall be carried out on a non-discriminatory basis in accordance with the procedures stipulated in the law of the latter Contracting Party and under due process of law.

2. Such compensation shall amount to the fair market value of the expropriated investments immediately before expropriation was taken or before impending expropriation became public knowledge, whichever is the earlier, shall include interest at the applicable commercial rate from the date of expropriation until the date of payment, and shall be made without undue delay, be effectively realizable, and be freely transferable. In both expropriation and compensation, treatment no less favourable than that which the Contracting Party accords to its own investors or to investors of any third State shall be accorded.

3. Investors of one Contracting Party affected by expropriation shall have a right, under the law of the other Contracting Party making the expropriation, to prompt review by a judicial or other independent authority of the that other Contracting Party, of their case and of the valuation of their investments in accordance with the principles set out in this Article.

4. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under its laws and regulations, and in which investors of the other Contracting Party own shares, debentures or other forms of participation, the provision of this Article shall be applied.

## **Article 6. Transfers**

1. Each Contracting Party shall permit all transfers relating to investments and returns to be made freely into and out of its territory. Such transfers shall include, in particular, though not exclusively:

(a) Net profit, capital gains, dividends, interest, royalties, fees and any other current income accruing from investments;

(b) Proceeds accruing from the sale or the total or partial liquidation of investments;

(c) Funds in repayment of loans related to investments;

(d) Earnings of nationals of the other Contracting Party who are allowed to work in connection with investments in the territory of each Contracting Party;

(e) Additional funds necessary for the maintenance or development of the existing investments;

(f) Amounts spent for the management of the investments in the territory of the other Contracting Party or a third State; and

(g) Compensation pursuant to Articles 4 and 5.

2. All transfers under this Agreement shall be made in a freely convertible currency, without undue restriction and delay, at the market exchange rate which is effective for the current transactions or determined in accordance with the official rate of exchange in force on the date of transfers.

3. Notwithstanding paragraphs 1 and 2, a Contracting Party may prevent a transfer through the equitable, non-discriminatory and good faith application of laws relating to:

(a) Bankruptcy, insolvency or other legal proceedings to protect the protection of the rights of creditors;

(b) Issuing, trading or dealing in securities;

(c) Criminal or administrative violations;

(d) Reports of transfers of currency or other monetary instruments; or

(e) Ensuring the satisfaction of judgements in adjudicatory proceedings.

## **Article 7. Subrogation**

1. If a Contracting Party or its designated agency makes a payment to its own investors under an indemnity given in respect of investments, the other Contracting Party shall recognize:

(a) The assignment, whether under the law or pursuant to a legal transaction in that State, of any rights or claims from investors to the former Contracting Party or its designated agency, and

(b) That the former Contracting Party or its designated agency is entitled by virtue of subrogation to exercise the rights and enforce the claims of those investors.

2. The subrogated rights or claims shall not exceed the original rights or claims of the investors.

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

1. Any dispute between a Contracting Party and an investor of the other Contracting Party concerning an obligation under this Agreement including expropriation or nationalization of investments shall, as far as possible, be settled by the parties to the dispute in an amicable way, in particular, through consultation and negotiation.

2. The local remedies under the laws and regulations of one Contracting Party in the territory of which the investment has been made shall be available for investors of the other Contracting Party on the basis of treatment no less favourable than that which would be accorded to investments of its own investors or investors of any third State, whichever is more favourable to investors.

3. If the dispute cannot be settled within six (6) months from the date on which the dispute has been raised by either party, and if the investor waives the rights to initiate any proceedings under paragraph 2 of this Article with respect to the same dispute, the dispute shall be submitted upon request of the investor of the Contracting Party to:

(a) The International Center for Settlement of Investment Disputes (ICSID) established by the Washington Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Nationals of other States; or

(b) The Court of Arbitration of the International Chamber of Commerce; or

(c) An international arbitrator or ad hoc arbitral tribunal to be appointed by a special agreement or established under the Arbitration Rules of the United Nations Commission on International Trade Law.

4. The investor, notwithstanding that it may have submitted the dispute to a tribunal under paragraph 3 may seek interim injunctive relief, not involving the payment of damages, before the judicial or administrative tribunals of the Contracting Party that is a party to the dispute for the preservation of its rights and interests.

5. Each Contracting Party hereby consents to the submission of a dispute to arbitration in accordance with the procedures set out in this Agreement.

6. The arbitral award made by the tribunal under paragraph 3 of this Article shall be final and binding on the parties to the dispute. Each Contracting Party shall ensure the recognition and enforcement of the award in accordance with its relevant laws and regulations.

## **Article 9. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation or application of the Agreement shall, if possible, be settled through consultation or diplomatic channels.

2. If any dispute cannot be settled within six (6) months, it shall, at the request of either Contracting Party, be submitted to an ad hoc Arbitral Tribunal in accordance with the provisions of this Article.

3. Such an Arbitral Tribunal shall be constituted for each individual case in the following way: Within two (2) months from the date of receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. These two members shall then select a national of a third State, who on approval of the two Contracting Parties shall be appointed Chairman of the Tribunal. The Chairman shall be appointed within two (2) months from the date of appointment of the other two members.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, a request may be made by either Contracting Party to the President of the International Court of Justice to make such appointments. If the President is a national of either Contracting Party or is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President is also a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.

5. The Arbitral Tribunal shall reach its decision by a majority of votes. Such decision shall be binding on both Contracting Parties.

6. Each Contracting Party shall bear the costs of its own arbitrator and its representation in the arbitral proceedings. The costs of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties. The Tribunal may, however, in its decision, direct that a higher proportion of costs shall be borne by one of the two Contracting Parties.

7. The Arbitral Tribunal shall determine its own procedure. However, the Contracting Parties may agree that all submissions shall be made and all hearings shall be completed within six (6) months of the date of the selection of the Chairman and that the Tribunal shall render its decision within two (2) months of the date of final submissions or date of closing of the hearings, whichever is later.

## **Article 10. Application of other Rules**

1. Where a matter is governed simultaneously both by this Agreement and by another international agreement to which both Contracting Parties are parties, or by general principles of international law, nothing in this Agreement shall prevent either Contracting Party or any of its investors from taking advantage of whichever rules are the more favourable to his case.

2. If the treatment to be accorded by one Contracting Party to investors of the other Contracting Party in accordance with its laws and regulations or other specific provisions or contracts is more favourable than that accorded by this Agreement, the more favourable treatment shall be accorded

3. Either Contracting Party shall observe any other obligation that it may have entered into with regard to investments in its territory by investors of the other Contracting Party.

## **Article 11. Application of the Agreement**

The Agreement shall apply to all investments, whether made before or after its entry into force, but shall not apply to any dispute concerning investments which was settled before its entry into force.

## **Article 12. Entry Into Force, Duration and Termination**

1. This Agreement shall enter into force thirty (30) days after the date when the Contracting Parties notify each other that all legal requirements for its entry into force have been fulfilled.

2. This Agreement shall remain in force for a period of ten (10) years and shall remain in force thereafter indefinitely unless either Contracting Party notifies the other Contracting Party, in writing, one year in advance, of its intention to terminate this Agreement.

3. In respect of investments made prior to the termination of this Agreement, the provisions of Articles 1 to 11 of this Agreement shall remain in force for a further period of ten (10) years from the date of the termination.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Port of Spain on the 5th day of November 2002, in the Korean and English languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA

FOR THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO