G.O.23793

LEGISLATIVE ASSEMBLY LAW N ° 5

(3 May 1999)

By which approves the approves the AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF THE REPUBLIC OF CUBA FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTIGATIONS,

Done at Panama on 27 January 1999

THE LEGISLATIVE ASSEMBLY DECREES:

Article 1. The AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF CUBA FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS is approved in all its parts

Letter says:

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF THE REPUBLIC OF CUBA FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTIGATIONS

The Government of the Republic of Panama and the Government of the Republic of Cuba, hereinafter referred to as "the Contracting Parties";

In the desire to develop economic cooperation for the mutual benefit of both States;

Desiring to create and maintain favorable conditions for investment by investors of one State in the territory of the other State, and

Recognizing that the incentive and reciprocal protection, on the basis of this Agreement, of such investments will contribute to stimulating business initiatives in this field,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. "Investment" means any type of good invested in relation to 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 other Contracting Party, including, in particular, Although not exclusively:

A) movable and immovable property, as well as any other real right, such as mortgages, rights. Guarantee of third party property, claims and other similar rights;

B) securities, shares and obligations of a company, and any other form of participation in a company;

C) financial claims for sums of money or any other right for obligations or services under a contract of economic value;

D) intellectual property rights, in particular copyrights, trademarks, patents, industrial models, technological processes, know-how, trade secrets, trade names, goodwill related to the investment;

E) rights or permissions conferred by law, by contract or by administrative acts, including concessions for the exploration, cultivation, extraction or exploitation of natural resources.

Any change in the way the assets are invested does not affect their investment character. The reinvestment of the proceeds

of an investment shall enjoy the treatment established in this Agreement.

2. "Investor" means any natural or legal person of a Contracting Party making investments in the territory of the other Contracting Party.

(A) "natural person" means:

i) with respect to the Republic of Panama: those who are nationals of that State in accordance with its laws.

ii) with respect to the Republic of Cuba: those who are citizens of that State in accordance with their laws and have permanent residence in the national territory.

B) "legal person" includes legal entities, including corporations, corporations or trade associations or any other entity constituted or duly organized otherwise according to the legislation of the Contracting Parties.

3. "Income" includes sums generated by an investment including, but not limited to, earnings, interest, capital income, shares, dividends, royalties and compensation.

4. "Territory" means the territory of the Republic of Panama and the territory of the Republic of Cuba, as well as the maritime zones, including the seabed and the subsoil adjacent to the outer limits of the territorial waters of

Any of the two territories over which the State in question exercises the right of sovereignty and jurisdiction in accordance with international law.

Article 2. Promotion and Protection of Investigations

1. Each Contracting Party shall encourage and create favorable conditions in accordance with its laws and regulations. Regulations, so that the investors of the other Contracting Party make investments in its territory, admitting them, in accordance with its laws and regulations.

2. Each Contracting Party, within its own territory, shall accord to the investments of investors of the other Contracting Party fair and equitable treatment and full protection and security at all times.

3. Without prejudice to their respective laws, each Contracting Party shall create favorable conditions for the granting of visas and work permits necessary in its territory so that citizens of the other Contracting Party may carry out the activities related to the investment.

Article 3. National and Most Favored National Treatment

1. Each Contracting Party, within its own territory, shall accord to the investments and profits of the investors of the other Contracting Party a fair and equitable treatment and not less favorable than that which it agrees for the Investments and profits of its own investors or for the investments and profits of investors of a third State.

2. Each Contracting Party shall, in the context of its own territory, make available to investors of the other Contracting Party, in relation to the management, maintenance, use, enjoyment or disposal of investments, fair and equitable treatment and not Less favorable than that which it agrees for its investors or for the investors of a third State.

3. It is hereby confirmed that the investments or revenues referred to in paragraphs (1) and (2) above are those governed by national legislation covering foreign investment and that the treatment provided for in paragraphs (1) and (2) above Apply to the provisions of articles 1 to 11 of this Agreement.

4. The provisions of paragraphs (1) and (2) of this Article shall not be construed as a clause requiring a Contracting Party to extend to the investors of the other Contracting Party the benefits of any treatment, preference or privilege arising out of:

A) Any customs union. Free trade zone, monetary union or any similar international agreement conducive to the formation of such unions or

Institutions, or any other form of regional cooperation of which either Contracting Party is or may be a party.

B) Any international agreement or agreement relating wholly or mainly to the tax regime.

Article 4. Recurrence for Losses

1. In the event that investors of one Contracting Party suffer losses on their investments in the territory of the other

Contracting Party, caused by wars or other armed conflicts, a state of national emergency, revolt, insurrection or disturbance, the Party Contracting Party in which the investment is made shall offer in respect of restitution, compensation, compensation or other agreement, treatment no less favorable than that which it reserves for its own investors or for investors of a third State.

The corresponding payments will be freely transferable and will be executed without unnecessary delay in freely convertible currency.

2. Without prejudice to paragraph (1) of this Article, investors of one of the Contracting Parties who in any of the situations referred to in that paragraph suffer losses in the territory of the other Contracting Party as a result of:

A) occupation of their property by the forces or author authorities of the last Contracting Party,

B) destruction of their property by the forces or authorities of the last Contracting Party which has not been produced by combative actions or that has not been required by the necessity of the situation, will receive a fair and adequate compensation for the losses suffered during the Period of occupation or as a result of the destruction of their properties. The corresponding payments shall be freely transferable and shall be made without unnecessary delay in freely convertible currency.

Article 5. Expropriation

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated or subject to measures having equivalent effect to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party, unless The aforementioned is done for public utility or social interest, through legal process, on a non-discriminatory basis and through appropriate, prompt and effective compensation. The indemnity shall be equivalent to the effective market value of the expropriated investment Immediately before the time when the expropriation or expropriation decisions have been announced or published and must include interest accrued until the payment is made. This

Compensation will be made immediately and realizable, in freely convertible currency and will be freely transferable.

2. The affected investor shall be entitled, in accordance with the legislation of the contracting party who conducts the expropriation, to a prompt review of his case and the valuation of his investment by the judicial authorities or other authorities independent of that Contracting Party, In accordance with the principles established in this Article.

3. The provisions of paragraph 1 of this Article shall also apply where a Contracting Party expropriates the property of a company established or constituted under the laws in force in its territory and in which the investors of the other Contracting Party They own actions.

Article 6. Transfers

1. Each Contracting Party shall ensure the free transfer of payments relating to investments and profits. Transfers will be made immediately and unrestricted after the payment of any tax due, in the freely convertible currency agreed upon and include, in particular, but not exclusively:

(A) the capital and additional sums to maintain or increase the

Investment;

B) earnings, interest, dividends and other current income;

C) loan repayment funds;

D) royalties or commissions;

E) proceeds from the sale or liquidation of the investment;

F) income of natural persons subject to the laws and regulations

Of the Contracting Party where the investment is made.

2. For the purposes of this Agreement, exchange rates shall be the rates in force at the time the transfer is made for current transactions, unless otherwise agreed.

Article 7. Subrogation

L. In the event that a Contracting Party or one of its designated institutions makes a payment to its own investor under an insurance guarantee against non-commercial risks for investments in the territory of the other Contracting Party, the latter Contracting Party shall recognize:

(A) the assignment, either by law or by lawful transaction in that country, of any right or claim of the investor to the first Contracting Party or its designated institutions and,

B) that the first Contracting Party or its designated institutions are entitled under the subrogation to exercise those rights and enforce the claims of such investors and must assume the obligations relating to the investment.

2. The rights and claims subrogated will not exceed the original rights and claims of the investor.

3. When a Contracting Party has paid its investor and has thereby assumed its rights and has thereby assumed its rights and benefits, such investor may not claim such rights and benefits from the other Contracting Party, unless expressly authorized by the Contracting Party. Contracting Party.

Article 8. Conciliation of Disputes between an Investigator and a Contracting Party

1. Disputes which may arise between an investor of one of the Contracting Parties and the other Contracting Party with respect to investments made in the territory of that Contracting Party shall, if possible, be reconciled by the disputing Parties in a friendly manner.

2. If a dispute between an investor of one of the Contracting Parties and the other Contracting Party can not be resolved within six months from the date of its initiation in writing, it may be submitted to the investor,:

A) a competent Court of the Party where the investment was made,

B) the Arbitral Tribunal of the International Chamber of Commerce in

Paris: or

(C) an ad hoc International Arbitral Tribunal constituted under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

To this end, each Contracting Party gives its advance and irrevocable consent for any dispute to be submitted to arbitration.

3. Once the investor has referred the dispute to the competent court of the Contracting Party in whose territory the investment was made or to an arbitral tribunal, the choice of either procedure shall be final.

These rules may be amended by written agreement of the parties concerned. The award of the Arbitral Tribunal is final and binding for the parties to the dispute.

Article 9. Conciliation of Disputes between the Parties Contractors

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall, where possible, be reconciled through consultations or negotiations.

2. In the event that such disputes can not be reconciled within a period of six months, they shall be submitted, at the request of one of the Parties, to an Arbitral Tribunal, in accordance with the provisions of this Article.

3. The Arbitral Tribunal shall be constituted, for each individual case, as follows: within two months, from the moment in which the request for arbitration is received. Each Party shall appoint one member of the Tribunal. The two members shall then select a citizen of a third State who, by approval of both Parties, shall act as President of the Tribunal (hereinafter referred to as "the President"). The President shall be appointed within three months of the date of appointment of the other two members.

4. If, within the time limits set in paragraph (3) of this Article, appointments have not yet been made, each Contracting Party may send a request to the President of the International Court of Justice to effect the appointments. In the event that the President is a citizen of one of the Contracting Parties or is unable to perform such a function, the Vice-President of the Court shall be requested to make the appointment. In the event that the Vice-President is a citizen of one of the Contracting Parties or is unable to do so. Member of the International Court of Justice who follows him in seniority and who is not a citizen of either Contracting Party shall be invited to make the appointment.

5. The Tribunal shall decide by majority vote and its decision shall be definitive and binding. Each of the Contracting Parties shall pay the expenses of its own arbitrator and those of its representation in the process. The expenses of the President and the remainder shall be borne by the two Contracting Parties in equal shares. The Arbitral Tribunal shall establish its own rules of procedure.

Article 10. Application of other Special Rules and Commitments

If the provisions of the law of either Contracting Party or the obligations under international law currently existing or established in the future between the Contracting Parties, in addition to this Agreement, contain rules, whether general or specific, by which Investments made by

Investors of the other Contracting Party are entitled to receive more favorable treatment than that accorded in this Agreement, such rules shall prevail, to the extent that they are more favorable, on this Agreement.

Article 11. Application of this Agreement

The provisions of this Agreement shall apply to investments made by investors of either Contracting Party in the territory of the other Contracting Party both before and after their entry into force, provided that they are legally operating, but shall not apply to The disputes that have arisen, before its entry into force, in relation to investments.

Article 12. Entry Into Force, Extended, Denied

1. This Agreement is subject to approval, in accordance with the internal constitutional requirements of both Contracting Parties, and shall enter. In force from the last date on which either Contracting Party notifies the other Contracting Party of such approval.

2. This Agreement shall remain in force for a period of ten years and shall remain in force automatically for a period of ten years unless either Contracting Party notifies the other Contracting Party in writing one year before Of the date of expiration of the initial period, its intention to denounce it. After the first ten years of validity, the Agreement may be denounced at any time by either Contracting Party, giving twelve months' notice.

3. In the event of a complaint, the provisions of this Agreement shall continue to apply for a period of 10 years from the date of denunciation to investments made before the date of denunciation.

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

Done at Panama, on the 27th day of the month of January 1999, in the Spanish language, both texts being equally identical.

FOR THE GOVERNMENT OF THE REPUBLIC OF PANAMA (Signed)

JORGE EDUARDO RITTER Minister for Foreign Affairs

FOR THE GOVERNMENT OF THE REPUBLIC OF CUBA (Signed)

IBRAHIM FERRADAZ Minister for Foreign Investment and Economic Cooperation