

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES AND THE GOVERNMENT OF THE ARGENTINE  
REPUBLIC ON THE PROMOTION AND RECIPROCAL PROTECTION  
OF INVESTMENTS**

**PREAMBLE**

The Government of the Republic of the Philippines and the Government of the Argentine Republic, 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, and to increase prosperity in their respective territories;

Recognizing that encouragement and protection of such investments on the basis of an agreement will be conducive to the stimulation of individual business initiative and will benefit the economic prosperity in both States.

Have agreed as follows:

**ARTICLE I  
DEFINITIONS**

For the purpose of this Agreement:

(1) The term "investment" means, in conformity with the laws and regulations of the Contracting Party in whose territory the investment is made, every kind of asset owned or controlled by, an investor of one Contracting Party in the territory of the other Contracting Party, in accordance with the latter's laws. It includes in particular, though not exclusively:

- a) movable and immovable property as well as any other rights in rem, such as mortgages, liens, pledges and usufructs;
- b) shares, stocks and debentures of companies in the nature of equity or interests in the property of such companies;
- c) claims to money or to any performance having an economic value; loans only being included when they are directly related to a specific investment;
- d) copyrights, patents, industrial property rights, technical processes, know-how, trademarks and trade names;
- e) business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their classification as an investment provided that this alteration is not contrary to the laws of the Contracting Party in whose territory the investment has been made.

(2) The term "investor" means;

a) any natural person who is a national of a Contracting Party in accordance with its laws.

b) legal entities, including companies, associations of companies, trading corporate entities and other organizations that are incorporated or, in any event are properly organized and actually doing business under the laws of the respective Contracting Party and have their headquarters in the territory of the respective Contracting Party where effective management is carried out.

(3) The provisions of this Agreement shall not apply to the investments made by natural persons who are nationals of one Contracting Party in the territory of the other Contracting Party if such persons have, at the time of the investment been domiciled in the latter Contracting Party for more than two years, unless it is proved that the investment was admitted into its territory from abroad.

(4) The term "returns" means the amounts yielded by an investment such as profits, interests, capital gains, dividends, royalties, fees and other current income.

(5) The term "territory" means:

a) with respect to the Government of the Republic of the Philippines, the national territory as defined in its Constitution.

b) with respect to the Government of the Argentine Republic, the national territory including those maritime areas adjacent to the outer limit of the territorial sea of the national territory, over which the Argentine Republic may, in accordance with national or international law, exercise sovereign rights or jurisdiction.

(6) This Agreement shall apply to all investments, whether made before or after the date of entry into force of this Agreement, but the provisions of this Agreement shall not apply to any dispute, claim or difference which arose before its entry into force.

## **ARTICLE II PROMOTION OF INVESTMENTS**

Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party and shall admit such investments in accordance with its laws and regulations.

## **ARTICLE III PROTECTION OF INVESTMENTS**

(1) Each Contracting Party shall at all times ensure fair and equitable treatment of the investments by investors of the other Contracting Party and shall not impair the management, maintenance, use, enjoyment or disposal thereof through unjustified or discriminatory measures.

(2) Each Contracting Party, once it has admitted investments in its territory by investors of the other Contracting Party shall grant full legal protection to such investments and shall accord them treatment which is no less favourable than that

accorded to investments by its own investors in accordance with existing laws, rules and regulations or by investors of third States.

(3) The provisions of paragraph (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 which may be extended by the former Contracting Party by virtue of:

- a) any existing or future free trade area, custom union, common market or similar international agreement to which either of the Contracting Parties is or may become a party;
- b) any international agreement relating wholly or mainly to taxation;
- c) the bilateral agreements providing for concessional financing concluded by the Argentine Republic with Italy on 10 December 1987 and with Spain on 3rd June 1988.

#### **ARTICLE IV EXPROPRIATION**

(1) Neither of the Contracting Parties shall take any measure of expropriation, nationalization or any other dispossession having effect equivalent to nationalization or expropriation against investments belonging to investors of the other Contracting Party, unless the measures are taken in the public interest, on a non-discriminatory basis and under due process of law upon prompt, adequate and effective compensation.

(2) The compensation shall be based on the market value of the investments affected immediately before the measure became public knowledge. Where that value cannot be readily ascertained, the compensation may be determined in accordance with generally recognized equitable principles of valuation taking into account the capital invested, depreciation, capital already repatriated, replacement value and other relevant factors. In case of delay of the compensation payment, it shall carry an interest at the appropriate market rate of interest from the date of expropriation or loss until the date of payment.

#### **ARTICLE V COMPENSATION FOR LOSSES**

Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to war or other armed conflict, state of national emergency, revolt, insurrection or riot in the nature of a national emergency, shall be accorded with respect to restitution, indemnification, compensation or other settlement, a treatment which is no less favourable than that accorded to its own investors or to investors of any third State.

#### **ARTICLE VI TRANSFERS**

(1) Each Contracting Party shall grant to investors of the other Contracting Party the unrestricted transfer of investments and returns thereof and in particular though not exclusively, of: