

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF
DENMARK REGARDING THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS**

PREAMBLE

The Government of the Republic of the Philippines and the Government of the Kingdom of Denmark hereinafter referred to as the Contracting Parties,

DESIRING to create favourable conditions for investments in both States and to intensify the co-operation between private enterprises in both States with a view to stimulating the productive use of resources,

RECOGNIZING that a fair and equitable treatment of investments on a reciprocal basis will contribute to the attainment of economic growth of both States,

HAVE AGREED as follows:

**ARTICLE I
DEFINITIONS**

For the purpose of this Agreement,

(1) The term "investment" means every kind of asset and shall include in particular, but not exclusively:

(i) tangible and intangible, movable and immovable property, as well as any other rights such as leases, mortgages, liens, pledges, privileges, guarantees and any other similar rights,

(ii) a company or business enterprise, or shares, stock or other forms of participation in a company or business enterprise and bonds and debt of a company or business enterprise,

(iii) returns reinvested, claims to money and claims to performance pursuant to contract having an economic value,

(iv) industrial and intellectual property rights, including copyrights, patents, trade names, technology, trademarks, goodwill, know-how and any other similar rights,

(v) concessions or other rights conferred by law or under contract, including concessions to search for, extract or exploit natural resources.

(2) A change in the form in which assets are invested, does not affect their character as investments.

(3) The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profit, interest, capital gains, dividends, royalties or fees.

(4) Returns, and in case of reinvestment, amounts yielded from the reinvestment, shall be given the same protection as the investment in accordance with the provisions of this Agreement.

(5) The term "investor" means:

(a) Natural persons having the citizenship or nationality of, or who are permanently residing in each Contracting Party in accordance with its laws.

(b) Legal entities established in accordance with, and recognized as legal entities by the law of that Contracting Party, irrespective of whether their liabilities are limited and whether or not their activities are directed at profit.

(6) The term "territory" means in respect of each Contracting Party the territory under its sovereignty as well as its exclusive economic zone and continental shelf over which each Contracting Party exercises sovereign rights or jurisdiction in accordance with its national law and international law.

ARTICLE II PROMOTION, ADMISSION AND PROTECTION OF INVESTMENTS

(1) Each Contracting Party shall admit investments by investors of the other Contracting Party in accordance with its legislation and administrative practice and encourage such investments, including facilitating the establishment of representative offices.

(2) Investments of investors of each Contracting Party shall at all times enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its territory of investors of the other Contracting Party.

(3) Each Contracting Party shall observe any obligation it may have entered into with regard to investments of investors of the other Contracting Party.

ARTICLE III TREATMENT OF INVESTMENTS

(1) Each Contracting Party shall accord to investments made by investors of the other Contracting Party fair and equitable treatment which in no case shall be less favourable than that accorded to its own investors or to investors of any third state, whichever is more favourable to the investor.

(2) Each Contracting Party shall accord investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investment, fair and equitable treatment which in no case shall be less favourable than that accorded to its own investors or to investors of any third State, whichever is more favourable to the investor.

ARTICLE IV EXCEPTIONS

The provisions of this Agreement relative to the granting of treatment not less favourable than that accorded to the investors of each Contracting Party or of any third State 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:

(a) membership of any existing or future regional economic integration organisation, customs union or free trade area of which one of the Contracting Parties is or may become a party, or

(b) any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

ARTICLE V EXPROPRIATION AND COMPENSATION

(1) Investments of investors of each Contracting Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for expropriations made in the public interest, on a basis of non-discrimination, carried out under due process of law, and accompanied by prompt, adequate and effective compensation.

(2) Such compensation shall amount to the fair market value of the investment expropriated immediately before the expropriation or impending expropriation became known in such a way as to affect the value of the investment (hereinafter referred to as the "valuation date").

(3) Such fair market value shall be calculated in a freely convertible currency on the basis of the market rate of exchange existing for that currency on the valuation date. Compensation shall be paid promptly and include interest at a commercial rate established on a market basis from the date of expropriation until the date of payment.

(4) The investor affected shall have a right to prompt review under the law of the Contracting Party making the expropriation, by an independent judicial authority of that Contracting Party, in order to review the valuation of its investment, the payment of compensation and the legality of such expropriation in accordance with the principles set out in Section 1 of this Article.

(5) When a Contracting Party expropriates the assets of a company or an enterprise in its territory, which is incorporated or constituted under its law, and in which investors of the other Contracting Party have an investment, including through shareholding, the provisions of this Article shall apply to ensure prompt, adequate and effective compensation for those investors for any impairment or diminution of the fair market value of such investment resulting from the expropriation.

ARTICLE VI COMPENSATION FOR LOSSES

(1) Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection, or civil disturbance in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation