

No. 52911*

**Latvia
and
Hungary**

Agreement between the Republic of Latvia and the Republic of Hungary for the promotion and reciprocal protection of investments. Budapest, 10 June 1999

Entry into force: *25 August 2000 by notification, in accordance with article 12*

Authentic texts: *English, Hungarian and Latvian*

Registration with the Secretariat of the United Nations: *Latvia, 8 September 2015*

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**Lettonie
et
Hongrie**

Accord entre la République de Lettonie et la République de Hongrie sur l'encouragement et la protection réciproque des investissements. Budapest, 10 juin 1999

Entrée en vigueur : *25 août 2000 par notification, conformément à l'article 12*

Textes authentiques : *anglais, hongrois et letton*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *Lettonie, 8 septembre 2015*

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[ENGLISH TEXT – TEXTE ANGLAIS]

A G R E E M E N T
BETWEEN THE REPUBLIC OF LATVIA AND
THE REPUBLIC OF HUNGARY
FOR THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS

The Republic of Latvia and the Republic of Hungary (hereinafter referred to as the "Contracting Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both countries,

Intending to create and maintain favourable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party, and

Conscious that the promotion and reciprocal protection of investments, according to the present Agreement, stimulates the business initiatives in this field,

Have agreed as follows:

ARTICLE 1
Definitions

For the purposes of this Agreement:

1. The term "investment" shall comprise every kind of asset invested in connection with economic activities by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws of the latter and shall include, in particular, though not exclusively:

- a) movable property, immovable property (including land property etc.) as well as any other property rights *in rem* such as mortgages, liens, pledges, and similar rights;
- b) shares, stocks and debentures of companies or any other form of participation in a company;
- c) claims to money or to any performance having an economic value associated with an investment;
- d) intellectual property rights, including copyrights, trade marks, patents, industrial designs, technical processes, know-how, trade secrets, trade names and goodwill associated with an investment;
- e) any right conferred by laws or under contract and any licenses and permits pursuant to laws, including the concessions to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment.

2. The term "investor" shall mean any natural or legal person who invests in the territory of the other Contracting Party.

- a) The term "natural person" shall mean any natural person having the nationality of either Contracting Party in accordance with its laws.
- b) The term "legal person" shall mean with respect to either Contracting Party, any entity - with or without legal personality -

incorporated or constituted in its territory in accordance with its laws.

3. The term "returns" shall mean amounts yielded by an investment and in particular, though not exclusively, includes profits, interests, capital gains, dividends, royalties or fees.

4. The term "territory" shall mean:

a) in the case of the Republic of Hungary, when used in a geographical sense, the territory of the Republic of Hungary;

b) in the case of the Republic of Latvia the territory of the Republic of Latvia including the territorial sea, as well as any maritime area beyond that where the Republic of Latvia in conformity with international law exercises sovereign rights with regard to the seabed and subsoil and the natural resources of such areas.

5. The term "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets provided it is not contrary to the regulations of either of the Contracting Parties.

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.

2. Investments of investors of either 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.

ARTICLE 3.
National and Most-Favoured-Nation Treatment

1. Each Contracting Party shall in its territory accord investments and returns of investors of the other Contracting Party treatment which is fair and equitable and not 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.

2. Each Contracting Party shall in its territory accord investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that which it accords to its own investors or investors of any third State, whichever is more favourable.

3. The provisions of paragraph 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 the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:

a) any customs union or free trade area or a monetary union or similar international agreements leading to such unions or institutions or other forms of regional co-operation to which either of the Contracting Parties is or may become a party;

b) any international agreement or arrangement relating wholly or mainly to taxation;

c) any multilateral agreements on investments to which either of the Contracting Parties is or may become a party.

ARTICLE 4.
Compensation for Losses

1. When investments by investors of either Contracting Party suffer losses owing to war, armed conflict, a state of national emergency,