

No. 53274*

**Canada
and
Uruguay**

**Agreement between the Government of Canada and the Government of the Eastern Republic of Uruguay for the promotion and protection of investments (with annexes).
Ottawa, 29 October 1997**

Entry into force: *2 June 1999 by notification, in accordance with article XV*

Authentic texts: *English, French and Spanish*

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**Canada
et
Uruguay**

**Accord entre le Gouvernement du Canada et le Gouvernement de la République orientale de l'Uruguay pour l'encouragement et la protection des investissements (avec annexes).
Ottawa, 29 octobre 1997**

Entrée en vigueur : *2 juin 1999 par notification, conformément à l'article XV*

Textes authentiques : *anglais, français et espagnol*

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[ENGLISH TEXT – TEXTE ANGLAIS]

**AGREEMENT
BETWEEN
THE GOVERNMENT OF CANADA
AND
THE GOVERNMENT OF THE
EASTERN REPUBLIC OF URUGUAY
FOR THE PROMOTION AND PROTECTION
OF INVESTMENTS**

**THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF
THE EASTERN REPUBLIC OF URUGUAY**, hereinafter referred to as the
"Contracting Parties",

RECOGNIZING that the promotion and the protection of investments of
investors of one Contracting Party in the territory of the other Contracting Party will
be conducive to the stimulation of business initiative and to the development of
economic cooperation between them,

HAVE AGREED as follows:

ARTICLE I

Definitions

For the purpose of this Agreement:

- (a) "enterprise" means:
 - (i) any entity constituted or organized under applicable law, whether or not for profit, whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture or other association; and
 - (ii) a branch of any such entity;
- (b) "existing measure" means a measure existing at the time this Agreement enters into force;
- (c) "intellectual property rights" means copyright and related rights, trademark rights, patent rights, rights in layout designs of semiconductor integrated circuits, trade secret rights, plant breeders' rights, rights in geographical indications and industrial design rights;

- (d) "investment" means any kind of asset owned or controlled either directly, or indirectly through an investor of a third State, by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the latter's laws and, in particular, though not exclusively, includes:

- (i) movable and immovable property and any related property rights, such as mortgages, liens or pledges;
- (ii) shares, stock, bonds and debentures or any other form of participation in a company, business enterprise or joint venture;
- (iii) money, claims to money, and claims to performance under contract having a financial value;
- (iv) goodwill;
- (v) intellectual property rights;
- (vi) rights, conferred by law or under contract, to undertake any economic and commercial activity, including any rights to search for, cultivate, extract or exploit natural resources.

but does not mean real estate or other property, tangible or intangible, not acquired in the expectation or used for the purpose of economic benefit or other business purposes.

For further certainty, an investment shall be considered to be controlled by an investor if the investor controls, directly or indirectly, the enterprise which owns the investment.

Any change in the form of an investment does not affect its character as an investment.

- (e) "investor" means

in the case of Canada:

- (i) any natural person possessing the citizenship of or permanently residing in Canada in accordance with its laws; or
- (ii) any enterprise incorporated or duly constituted in accordance with applicable laws of Canada,

who makes the investment in the territory of Uruguay and who does not possess the citizenship of Uruguay;

in the case of Uruguay:

- (i) any natural person possessing the citizenship of Uruguay in accordance with its laws; or
- (ii) any enterprise incorporated or duly constituted in accordance with applicable laws of Uruguay,

who makes the investment in the territory of Canada and who does not possess the citizenship of Canada;

- (f) "measure" includes any law, regulation, procedure, requirement, or practice;

- (g) "returns" means all amounts yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties, fees or other current income;
- (h) "state enterprise" means an enterprise that is governmentally-owned or controlled through ownership interests by a government;
- (i) "territory" means, in respect of a Contracting Party, the territory of that Contracting Party, as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea, over which that Contracting Party exercises, in accordance with international law, sovereign rights for the purpose of exploration and exploitation of the natural resources of such areas.

ARTICLE II

Promotion and Protection of Investments

- 1. Each Contracting Party shall encourage the creation of favourable conditions for investors of the other Contracting Party to make investments in its territory.
- 2. Each Contracting Party shall accord investments or returns of investors of the other Contracting Party
 - (a) fair and equitable treatment in accordance with principles of international law, and
 - (b) full protection and security.

ARTICLE III

Establishment of Investment

Each Contracting Party shall permit establishment of a new enterprise or acquisition of an existing business enterprise or a share of such enterprise by investors or prospective investors of the other Contracting Party on a basis no less favourable than that which, in like circumstances, it permits such acquisition or establishment by:

- (a) investors or prospective investors of any third state;
- (b) its own investors or prospective investors.

ARTICLE IV

Treatment of Established Investment

- 1. Each Contracting Party shall grant to investments and to returns of investors of the other Contracting Party treatment no less favourable than that which, in like circumstances, it grants to investments and returns of:
 - (a) investors of any third State;
 - (b) its own investors.

2. Each Contracting Party shall grant investors of the other Contracting Party, as regards the enjoyment, use, management, conduct, operation, expansion, and sale or other disposition of their investments or returns, treatment no less favourable than that which, in like circumstances, it grants to:
 - (a) investors of any third State;
 - (b) its own investors.

ARTICLE V

Management, Directors and Entry of Personnel

1. A Contracting Party may not require that an enterprise of that Contracting Party, that is an investment under this Agreement, appoint to senior management positions individuals of any particular nationality.
2. A Contracting Party may require that a majority of the board of directors, or any committee thereof, of an enterprise that is an investment under this Agreement be of a particular nationality, or resident in the territory of the Contracting Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.
3. Subject to its laws, regulations and policies relating to the entry of aliens, each Contracting Party shall grant temporary entry to citizens of the other Contracting Party employed by an enterprise who seeks to render services to that enterprise or a subsidiary or affiliate thereof, in a capacity that is managerial or executive or requires specialized knowledge.

ARTICLE VI

Performance Requirements

Neither Contracting Party may impose any of the following requirements in connection with permitting the establishment or acquisition of an investment or enforce any of the following requirements in connection with the subsequent regulation of that investment:

- (a) to export a given level or percentage of goods;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced or services provided in its territory, or to purchase goods or services from persons in its territory;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment; or
- (e) to transfer technology, a production process or other proprietary knowledge to a person in its territory unaffiliated with the transferor, except when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal or competition authority, either to remedy an alleged violation of competition laws or acting in a manner not inconsistent with other provisions of this Agreement.