

A G R E E M E N T

BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MALTA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA ON MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS.

The Government of the Republic of Malta and the Government of the People's Republic of Bulgaria,

Desiring to expand and develop their mutual relations in the fields of economic, industrial, scientific and technological cooperation on a long-term basis,

Having as their objectives the creation of favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Acting in the spirit of the Final Act of the Conference on Security and Cooperation in Europe,

Have agreed upon the following:

ARTICLE 1

For the purposes of this Agreement:

1. The term "investment" comprises funds, rights and properties which are connected with participation in enterprises associations and joint economic activities, and in particular:

a) property rights and other rights

b) financial resources

c) copyrights, rights of industrial property (inventions, trade marks, commercial names, technical methods and know-how).

These investments shall be made in compliance with the laws and regulations of the relevant Contracting Party.

Investments made in the territory of either Contracting Party shall be subject to this Agreement if they have been approved by the Government, or any agency designated by the Government, of the Party in whose territory the investment is made.

A possible change of the form in which the investments have been made does not affect their substance as investments, provided that such a change does not contradict the laws of the relevant Contracting Party.

The term "investment" shall include "reinvestment".

2. The term "income" means the amounts accruing from an investment during a given period, such as profits, dividends or interest and liquidation quotas.

3. The term "investor" means:

a) with respect to the Republic of Malta: (i) any body corporate set up in and in accordance with the law of the Republic of Malta and having its registered office there 9 and

(ii) any physical person who is a citizen of the Republic of Malta;

b) with respect to the People's Republic of Bulgaria - Bulgarian juridical persons with registration and seat according to the Bulgarian legislation;

who in compliance with this Agreement are making investments in the territory of the other Contracting Party.

ARTICLE 2

1. Each of the Contracting Parties shall, within the framework of its legislation, admit and encourage on its territory investments made by investors of the other Party.

2. Investments permitted in compliance with this Agreement and with the legal regulations of the Contracting Party in the territory of which they are made, shall enjoy the protection of the present Agreement.

ARTICLE 3

1. Investments by investors of either Contracting Party in the territory of the other Contracting Party shall be subjected to a treatment as favourable as that accorded to investments by investors of third States.

This treatment shall not be applied to the privileges which either Contracting Party accords to investors from third countries in virtue of their participation in economic communities and unions, a customs union or a free-trade area or of agreements leading thereto, or in virtue of international agreements entered into by either of the Contracting Parties relating wholly, or mainly, to taxation.

ARTICLE 4

The investments made by investors of either Contracting Party in the territory of the other Party shall not be subjected to any expropriation or nationalisation measures or any other measures of dispossession except in the public (state) interest, and then only against payments of adequate compensation. Such compensation shall represent the real value of the investment concerned on the day of expropriation, nationalisation or dispossession and shall be paid without delay and be freely transferable.

2. Without prejudice to the provisions of Article 7 of this Agreement, the amount of compensation may be disputed in the jurisdiction of the country where the expropriation in made.

3. Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to natural calamity, state of emergency or disaster, war or other armed conflict in the territory of the other Contracting Party

shall be treated in the same manner as investors of third countries with respect to any compensation which may be given for such losses.

ARTICLE 5

1. Each Contracting Party may accord, within the context of its legislation and after examining each particular case, its guarantee to investments made by its investors in the territory of the other Party and previously approved by that other party.

2. In effecting payment to its investors in virtue of such a guarantee, either Contracting Party shall take into account the rights and obligations of its investors and any payment so made shall give such Contracting Party full rights of subrogation.

ARTICLE 6

1. In compliance with its laws and regulations in force and Article 1 of this Agreement, either Contracting Party shall allow to the investors of the other Contracting Party the transfer in any convertible currency of the amounts deposited or realised by these investors in freely convertible currency.

2. The personal income of the employed staff in connection with the investments are subject to transfer in compliance with the laws and regulations of the Contracting Parties.

3. Following a request for a transfer in accordance with paragraphs 1 and 2 above, the transfer shall be made at the official rate of exchange obtaining at the time of the transfer, within such a span of time as is usually required for the observance of the

formalities for such transfers.

ARTICLE 7

1. Disputes between the Contracting Parties concerning the interpretation of this Agreement shall, if possible, be settled through diplomatic channels.

2. If the dispute cannot thus be settled, the Contracting Parties may by mutual consent submit it to arbitration.

ARTICLE 8

1. Either Contracting Party will endeavour to resolve in compliance with its internal state regulations, as favourably as possible, the questions pertaining to entrance and stay in its territory of the nationals of the other Contracting Party who are involved in activities connected with the investments in the sense of Article 1 of the present Agreement. The same treatment will concern persons who are sent by the investors of the two countries to carry out activities as workers and employees. Each Contracting Party shall likewise endeavour to settle as favourably as possible questions on issuing of work permits in these cases.

2. Subject to its local laws and regulations, each Contracting Party shall not, in the transportation of goods and persons in connection with the investments made, exclude or hinder the transport agencies of the other Contracting Party and, as far as this necessary, shall issue permits for the transportation.

ARTICLE 9

The representatives of the Contracting Parties shall, whenever needed, hold meetings in order to review the implementation of this Agreement. These meetings shall be held on the proposal of one of the Contracting Parties at a place and at a time agreed upon through diplomatic channels.

ARTICLE 10

The provisions of this Agreement shall also cover investments made in the territory of either Contracting Party by the investors of the other Contracting Party since January 1, 1982.

ARTICLE 11

1. This Agreement shall enter into force on the thirtieth day following the day of the receipt of the second of the notes in which the Contracting Parties inform each other that the requirements for the entry into force of the present Agreement, according to the internal legislation of either Contracting Party, have been fulfilled. It shall remain in force for a period of ten years and, unless written notice of termination is given by either Party six months before the termination of the said period of ten years, it shall be extended for an indefinite period of time. In the case of such an extension, this Agreement shall be terminated if it is denounced by either Contracting Party by means of a six months' advance notice.

2. In respect of investments made prior to the date when the termination of this Agreement becomes effective, the provisions of Articles 1 to 10 of this Agreement shall remain in force for a further period of fifteen years.

Done at Sofia this 12 day of June 1984, in two originals, in the English and Bulgarian languages, both texts being equally authentic.