

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF PERU

AND

THE GOVERNMENT OF THE KINGDOM OF NORWAY

ON PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Peru and the Government of the Kingdom of Norway, hereinafter referred to as the "Contracting Parties",

desiring to develop the economic cooperation between the two States,

for the purpose of encouraging and creating favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party on the basis of equality and mutual benefit,

conscious that the promotion and reciprocal protection of investments in accordance with this Agreement will stimulate the business initiative,

have agreed as follows:

Text provided by Organization of American States, Trade Unit.

DEFINITIONS

For the purpose of this Agreement:

1. The term "investment" means any kind of asset invested in the territory of one Contracting Party in accordance with its laws and regulations by an investor of the other Contracting Party and includes in particular:
 - a) Movable and immovable property, related property rights such as mortgages as well as leases;
 - b) Shares, stocks, bonds and any other forms of participation in companies or enterprises;
 - c) Claims to money which has been used to create an economic value or claims to any performance under contract having an economic value;
 - d) Intellectual property rights as well as technology, know-how and good-will;
 - e) Rights, conferred by law or under contract, including the rights to search for, or the cultivation, extraction or exploitation of natural resources.
2. The term "investor" means with regard to each Contracting Party:
 - a) Any natural person having the citizenship of that Contracting Party in accordance with its legislation;
 - b) Any legal entity, including a corporation, company, firm, enterprise or association incorporated or constituted in the territory of that Contracting Party in accordance with its legislation;

Provided that the natural person or the legal entity is admitted in accordance with the legislation of that Contracting Party to make investments in the territory of the other Contracting Party.

3 The term "returns" means the amounts yielded by an investment, in particular profit, capital gains, interests, dividends, royalties and other fees.

4 The term "territory" means:

i. In respect of the Republic of Peru, in addition to the areas contained within the land boundaries, the adjacent maritime zones over which the State exercises sovereign rights and jurisdiction in accordance with its legislation.

ii. In respect of the Kingdom of Norway, its territory, including the land territory, internal waters and the territorial sea, as well as the continental shelf over which the State exercises in accordance with international law, sovereign rights and jurisdiction for the purpose of exploring it and exploiting its natural resources.

ARTICLE 2

APPLICATION OF THE AGREEMENT

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party prior to or after its entry into force. It shall, however, not be applicable to divergences or disputes which have arisen prior to its entry into force.

ARTICLE 3

PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

1. Each Contracting Party will promote in its territory investments by investors of the other Contracting Party and admit such investments in accordance with its laws and regulations
2. Each Contracting Party guarantees in accordance with its legislation protection of investments made by investors of the other Contracting Party in its territory

ARTICLE 4

TREATMENT OF INVESTMENTS

1. Each Contracting Party will accord in its territory for the investments made by investors of the other Contracting Party fair and equitable treatment.
2. The treatment referred to in paragraph 1 of this Article shall as a minimum not be less favourable than that which is granted with regard to investments by investors of any third State.
3. Subject to its national legislation each Contracting Party shall accord to investments made by investors of the other Contracting Party treatment no less favourable than that which it accords to investments by its own investors.
4. The most favoured nation treatment granted in accordance with paragraph 2 and the national treatment in paragraph 3 of this Article shall not apply to any benefit which either of the Contracting Parties is providing or will provide in the future:
 - In connection with the participation in a free trade area, customs or economic union;
 - On the basis of the agreements to avoid double taxation, or any other arrangement relating to taxation issues.
5. The provisions of this Article shall also apply to the returns derived from the investments.

ARTICLE 5

COMPENSATION FOR LOSSES

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war, other armed conflict, state of national emergency or other similar events shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which it accords to investors of any third State.

ARTICLE 6

EXPROPRIATION

Investments made by investors of one Contracting Party in the territory of the other Contracting Party cannot be expropriated, nationalized or subjected to other measures having a similar effect (hereinafter referred to as "expropriation") except when the expropriation is done for public interest, under due process of law, is not discriminatory and is done against prompt, adequate and effective compensation.

Such compensation shall amount to the value of the investment immediately before the date of expropriation and shall be paid without delay and shall, from the date of expropriation, include interest at a commercial rate established on a market basis. Such compensation shall be effectively realisable.

ARTICLE 7

TRANSFER OF PAYMENTS IN CONNECTION WITH INVESTMENTS

Each Contracting Party shall guarantee to investors of the other Contracting Party upon fulfilment by them of all tax obligations, free transfer abroad of payments in connection with their investments, and in particular:

- a) Returns;
- b) The proceeds due to the investor from the sale or liquidation of all or any part of an investment;
- c) Funds in repayment of borrowings related to an investment;
- d) Compensation provided for in Article 6 of this Agreement;
- e) Earnings of nationals of the other Contracting Party, or foreign nationals who work within the framework of an investment

2. Transfer of payments shall be made without delay in the free convertible currency in which the investment has been made or in any other freely convertible currency, if so agreed by the investor. Transfer of payments shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force of the Contracting Party in whose territory the investment has been made.

ARTICLE 8

SUBROGATION

A Contracting Party or its designated agency having made payment to an insured investor in accordance with a guarantee issued for non-commercial risks connected with an investment in the territory of the other Contracting Party, is by virtue of subrogation, entitled to exercise the rights of the investor to the same extent as the said investor. The said rights should be exercised in accordance with the legislation in the latter Contracting Party.

ARTICLE 9

DISPUTES BETWEEN AN INVESTOR OF ONE CONTRACTING PARTY AND THE OTHER CONTRACTING PARTY

1. Disputes between an investor of one Contracting Party and the other Contracting Party arising in connection with an investment on its territory shall, to the extent possible be settled amicably.
2. If such a dispute has not been amicably settled within a period of six month from written notification of a claim, it may be submitted by either Party to the dispute to:
 - a) The International Centre for Settlement of Investment Disputes (ICSID), having regard to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington D. C. on 18 March 1965; or

- b) An arbitration or international ad hoc tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify these Rules. The arbitral awards shall be final and binding on both Parties to the dispute.
3. The arbitral awards are recognised and enforced in accordance with the Convention on the Recognition and Enforcement of Foreign Arbitral Awards done in New York on 10 June, 1958.

ARTICLE 10

DISPUTES BETWEEN THE CONTRACTING PARTIES

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement should, as far as possible, be settled through negotiations between the Contracting Parties.
2. If a dispute between the Contracting Parties cannot thus be settled within six months after the beginning of negotiations, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

Such an arbitral tribunal shall be constituted for each individual case in the following way:

Within three months from the receipt of the request for arbitration, each Contracting Party shall appoint one member of the arbitral tribunal. These two members shall then elect a national of a third State who on approval by the two Contracting Parties shall be appointed chairman of the arbitral tribunal. The chairman shall be appointed within two months from the date of appointment of the other two members of the arbitral tribunal.

If within the periods specified above in this article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting Party or if he too is otherwise prevented

from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.

3. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings. The cost of the chairman and the remaining costs shall be borne in equal parts by the Contracting Parties.
4. The arbitral tribunal reaches its decision on the basis of the provisions of this Agreement and of the general principles and rules of international law.
5. The arbitral tribunal reaches its decision by a majority of votes. Such decision shall be final and binding on both Contracting Parties.

All other procedural issues will be determined by the arbitral tribunal.

ARTICLE 11

CONSULTATIONS

The Contracting Parties shall, whenever needed, hold consultations in order to review the interpretation or application of this Agreement. These consultations shall be held on the proposal of one of the Contracting Parties.

ARTICLE 12

APPLICATION OF OTHER RULES

If, on the basis of the legislation of a Contracting Party or on the basis of an international agreement binding upon both Contracting Parties, investments of an investor of the other Contracting Party, is accorded treatment more favourable than that which is provided for in this Agreement, the more favourable treatment shall apply.

ARTICLE 13

ENTRY INTO FORCE OF THE AGREEMENT

Each Contracting Party shall notify the other Contracting Party in writing of the completion of the internal procedures required for the entry into force of this Agreement. This Agreement shall enter into force on the date of the latter of the two notifications.

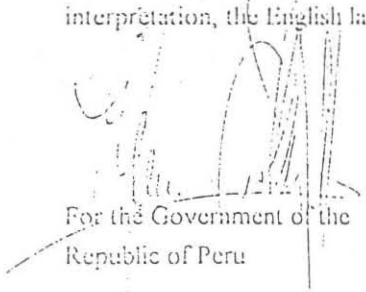
ARTICLE 14

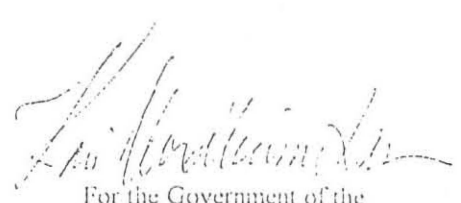
DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall remain in force for a period of fifteen years. Thereafter it shall continue in force until the expiration of twelve months from the date on which either Contracting Party shall have given written notice of its intention to terminate this Agreement to the other Contracting Party.

In respect of investments made prior to the date of termination of this Agreement, the provisions of Articles 1-12 of this Agreement shall remain in force for a further period of fifteen years from that date.

Done at *Copenhagen* on *11th March 1995* in duplicate in the Spanish, Norwegian and English languages, all texts being equally authoritative. In case of divergence of interpretation, the English language text shall prevail.


For the Government of the
Republic of Peru


For the Government of the
Kingdom of Norway