

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND
THE SWISS CONFEDERATION ON THE PROMOTION AND
RECIPROCAL PROTECTION OF INVESTMENTS**

PREAMBLE

The Government of the Republic of the Philippines and the Swiss Federal Council

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

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

Recognizing the need to promote and protect foreign investments with the aim to foster the economic prosperity of both States,

Have agreed as follows:

**ARTICLE I
DEFINITIONS**

For the purpose of this Agreement:

1. The term "investor" shall mean:

(a) in respect of the Republic of the Philippines:

(i) natural persons who are citizens of the Philippines within the meaning of its Constitution;

(ii) corporations, partnerships or other associations, incorporated or constituted and actually doing business under the laws in force in any part of the territory of the Philippines and having therein a place of effective management;

(b) in respect of the Swiss Confederation:

(i) natural persons who, according to Swiss law, are considered to be its nationals:

(ii) companies including corporations, partnerships, associations and other organisations, which are constituted or otherwise duly organised under Swiss law, as well as companies not established under Swiss law but effectively controlled by Swiss nationals or by companies established under Swiss law.

2. The term "investments" shall include every kind of asset, in particular:

(a) movable and immovable property as well as any other rights in rem, such as mortgages, liens, pledges, usufructs and similar rights;

(b) shares, parts, or any other kind of participation in companies;

(c) claims to money or to any performance having an economic value;

(d) copyrights, industrial property rights (such as patents, utility models, industrial designs or models, trade or service marks, trade names, indications of origin), know-how, and goodwill;

(e) concessions under public law, including concessions to search for, extract or exploit natural resources as well as all other rights given by law, by contract or by decision of the authority in accordance with the law.

3. The term "returns" means the amounts yielded by an investment and includes in particular, profits, interest, capital gains, dividends, royalties, and fees.

4. The term "territory" refers to the territory of the State concerned as defined by the respective Constitution and other pertinent law.

ARTICLE II

SCOPE OF APPLICATION

The present Agreement shall apply to investments in the territory of one Contracting Party made in accordance with its laws and regulations by investors of the other Contracting Party, whether prior to or after the entry into force of the Agreement.

ARTICLE III

PROMOTION, ADMISSION

1. Each Contracting Party shall in its territory promote as far as possible investments by investors of the other Contracting Party and admit such investments in accordance with its laws and regulations.

2. When a Contracting Party shall have admitted an investment on its territory, it shall grant in accordance with its laws and regulations the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance. Each Contracting Party shall, whenever needed, endeavour to issue the necessary authorizations concerning the activities of consultants and other qualified persons of foreign nationality.

ARTICLE IV

PROTECTION, TREATMENT

1. Investments and returns of investors of each 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. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, or disposal of such investments.

2. Each Contracting Party shall in its territory accord investments or returns of investors of the other Contracting Party treatment not less favourable than that which it accords to investments or returns of its own investors or to investments or returns of investors of any third State, whichever is more favourable to the investor concerned.

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

4. The treatment of the most favoured nation according to this Article shall not be construed so as to oblige one Contracting Party to extend to investors of the other the benefit of any treatment, preference or privilege resulting from:

- a) any existing or future free trade area, customs union, common market, economic union, or any similar regional economic organisation, to which either Contracting Party is or may become a party, or
- b) any international agreement relating wholly or mainly to taxation.

ARTICLE V FREE TRANSFER

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the transfer without delay in a freely convertible currency of payments in connection with an investment, particularly of:

- a) returns;
- b) amounts related to loans incurred, or other contractual obligations undertaken, for the investment;
- c) royalties and other payments deriving from rights enumerated in Article I, paragraph (2) letters (c), (d) and (e) of this Agreement;
- d) additional contributions of capital necessary for the maintenance or development of the investment;
- e) the proceeds of the partial or total sale or liquidation of the investment, including possible increment values.

2. Transfers of currency shall be made at the market rate of exchange prevailing on the date of transfer.

ARTICLE VI DISPOSSESSION, COMPENSATION

1. Neither of the Contracting Parties shall take, either directly or indirectly, measures of expropriation, nationalization, or any other measures having the same nature or the same effect against investments of investors of the other Contracting Party, unless the measures are taken in the public interest, on a non-discriminatory basis, and under due process of law, and provided that provisions be made for effective and adequate compensation. Such compensation shall amount to the market value of the investment expropriated immediately before the expropriatory action was taken or became public knowledge, whichever is earlier. The amount of compensation, shall include interest, from the date of dispossession until payment, shall be settled in a freely convertible currency and paid without delay to the person entitled thereto without regard to its residence or domicile.