

February 22, 1999

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND  
THE REPUBLIC OF TURKEY CONCERNING THE RECIPROCAL  
PROMOTION AND PROTECTION OF INVESTMENTS**

The Republic of the Philippines and the Republic of Turkey, hereinafter called the Contracting Parties;

Desiring to promote greater economic cooperation between them, particularly with respect to investment by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the reciprocal promotion and protection of such investments favour the economic prosperity of both Contracting Parties;

Have agreed as follows:

**ARTICLE I  
DEFINITIONS**

For the purpose of this Agreement:

The term "investor" means:

(i) with respect to the Republic of the Philippines, individuals who are citizens of the Philippines within the meaning of its Constitution

(ii) with respect to the Republic of Turkey natural persons deriving their status as nationals of Turkey according to its applicable law.

(iii) with respect to both countries, legal entities, namely, companies, J associations of companies, trading corporate entities and other organizations that are incorporated or, in any event, are properly organized to actually engage in a business enterprise for profit with headquarters in the territory of that Contracting Party under its laws.

The term "investment" means any kind of asset established or acquired in accordance with the respective laws and regulations of either Contracting Party, and more particularly, though not exclusively:

(a) shares, stocks or any other form of participation in companies,

(b) returns reinvested, claims to money or any other rights to legitimate performance having financial value related to an investment,

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

(d) copyrights, industrial and intellectual property rights such as patents, licences, industrial designs, technical processes, trademarks, goodwill, know-how and other similar rights,

(e) business concessions conferred by law or under contract, including concessions to search for, develop, extract or exploit natural resources on the territory of each Contracting Party as defined hereafter.

The term "returns" means the amounts yielded by an investment and includes, in particular, though not exclusively, profit, interest, and dividends.

The term "territory" means:

(a) With respect to the Republic of the Philippines, the national territory which comprises the Philippine archipelago, with all the islands and waters embraced therein, and all other territories over which the Philippines has sovereignty or jurisdiction, consisting of its terrestrial, fluvial, and aerial domains, including its territorial sea, the seabed, the subsoil, the insular shelves, and other submarine areas. The waters around, between, and connecting the islands of the archipelago, regardless of their breadth and dimensions, form part of the internal waters of the Philippines.

(b) With respect to the Republic of Turkey, the Turkish territory, territorial sea, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purposes of exploration, exploitation and conservation of natural resources, pursuant to international law.

## **ARTICLE II PROMOTION AND PROTECTION OF INVESTMENTS**

Each Contracting Party shall promote as far as possible investments in its territory by investors of one Contracting Party and shall admit, on a basis no less favourable than that accorded in similar situations to investments of any third country, in accordance with its Constitution, laws and regulations. Such investments shall be accorded equitable and reasonable treatment.

Each Contracting Party shall protect within its territory investments made in accordance with its laws and regulations by investors of the other Contracting Party and shall not impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, sale and liquidation of such investments.

Subject to the laws and regulations of the Contracting Parties relating to the entry, sojourn and employment of aliens:

(a) nationals of either Contracting Party shall be permitted to enter and remain in the territory of the other Contracting Party for purposes of establishing, developing, administering or advising on the operation of an investment to which they, or an investor of the first Contracting Party that employs them, have committed or are in the process of committing a substantial amount of capital or other resources,

(b) companies which are legally constituted under the applicable laws and regulations of one Contracting Party, and which are investments of the other Contracting Party, shall be permitted to employ top managerial and technical personnel of their choice, regardless of nationality.

The provisions of this Article shall have no effect in relation to the following agreements entered into by either of the Contracting Parties:

(a) relating to any existing or future customs union, common market, free trade area, regional economic organization or similar international agreements of which either Contracting Parties is or may become a member, or

(b) relating wholly or mainly to taxation.

### **ARTICLE III TREATMENT OF INVESTMENTS**

Each Contracting Party shall guarantee fair and equitable treatment to investments made by investors of the other Contracting Party on its territory and shall ensure that the exercise of the right thus recognized shall not be hindered in practice.

Each Contracting Party shall accord, once established, investments of the investors of one Contracting Party in its territory a treatment which is no less favourable than that accorded to investments made by its own investors or by investors of any third country, whichever is the most favourable.

### **ARTICLE IV EXPROPRIATION AND COMPENSATION**

Neither Contracting Party shall take any measure depriving directly or indirectly an investor of the other Contracting Party of an investment, unless the following conditions are complied with:

- (a) the measures are taken in the public interest and in accordance with the law;
- (b) the measures are not discriminatory; and
- (c) the measures are accompanied by provisions for the payment of prompt, adequate and effective compensations.

The compensation shall be based on the market value of the investments affected, immediately before the measure became public knowledge, in case of delay of the compensation payment, it shall carry an interest at a prevailing rate from the date of expropriation until the date of payment and be freely transferable as described in paragraph 2 Article VI.

The investor affected shall have a right to access, under the law of the Contracting Party making the expropriation, to the judicial authority of that Contracting Party, in order to review the amount of compensation and the legality of any such expropriation or comparable measures.

### **ARTICLE V LOSSES**

Investors of either Contracting Party whose investments suffer losses in the territory of the other Contracting Party, owing to war, insurrection, civil disturbance or other similar events, shall be accorded by such other Contracting Party treatment no less favourable than that accorded to its own investors or to investors of any third country, whichever is the most favourable treatment, as regards any measure it adopts in relation to such losses.

### **ARTICLE VI REPATRIATION AND TRANSFER**

Each Contracting Party shall permit in good faith all transfers related to an investment to be made freely and without delay into and out of its territory. Such transfers include: