

No. 30326

---

**REPUBLIC OF KOREA  
and  
ITALY**

**Agreement concerning the encouragement and the reciprocal  
protection of investments. Signed at Seoul on 10 January  
1989**

*Authentic texts: Korean, Italian and English.*

*Registered by the Republic of Korea on 6 October 1993.*

---

**RÉPUBLIQUE DE CORÉE  
et  
ITALIE**

**Accord relatif à l'encouragement et à la protection réci-  
proque des investissements. Signé à Séoul le 10 janvier  
1989**

*Textes authentiques : coréen, italien et anglais.*

*Enregistré par la République de Corée le 6 octobre 1993.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC  
OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF  
ITALY CONCERNING THE ENCOURAGEMENT AND THE RE-  
CIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Korea and the  
Government of the Republic of Italy (hereinafter referred  
to as "the Contracting Parties"),

Desiring to intensify economic cooperation between both  
countries,

Intending to create favourable conditions for investments  
by investors of either country, and

Recognizing that encouragement and protection of such  
investments will benefit the economic prosperity of both  
countries,

Have agreed as follows:

Article 1

Either Contracting Party shall promote as far as possible  
the investments in its territory by investors of the other  
Contracting Party, admit such investments according to its  
laws and regulations and accord such investments equitable  
and reasonable treatment.

<sup>1</sup> Came into force on 26 June 1992, i.e., three months after the Contracting Parties had notified each other of the completion of their respective internal procedures, in accordance with article 14 (1).

## Article 2

For the purpose of this Agreement:

- (1) The term "investment" means every kind of asset accepted in accordance with the respective laws and regulations of either Contracting Party, and more particularly, though not exclusively:
  - (a) movable and immovable property as well as any other rights in rem, such as mortgages, liens, pledges, usufructs and similar rights;
  - (b) shares, stocks and debentures of companies or interests in the property of such companies;
  - (c) claims to money utilized for the purpose of creating an economic value or to any performance having an economic value;
  - (d) copyrights, industrial property rights, technical process, know-how, trademarks and trade names;
  - (e) business concessions conferred by law or under contract, including concessions to search for, extract or exploit natural resources.

Any admitted alternation of the form in which assets are invested shall not affect their classification as an investment.

- (2) The term "returns" means the amounts yielded by an investment for a definite period of time as profits, interests, capital gains, dividends, royalties, fees and other legitimate returns.
- (3) The term "investor" means every physical or legal person as well as any other corporation including interest associations, which is recognised as a resident by the legislations and regulations in force, making investment in the territory of the other Contracting Party.
- (4) The term "territory" means the territory over which the Contracting Party has sovereignty of jurisdiction according to international law and its laws and regulations.

### Article 3

1. 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.

2. Each Contracting Party shall in its territory accord investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their

investments treatment not less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable.

3. The treatment mentioned above shall not apply to any advantage accorded to investors of a third State by either Contracting Party based on the membership of that Contracting Party in a customs union, common market, free trade zone, economic multilateral international agreement or based on an agreement concluded between that Contracting Party and a third State on avoidance of double taxation, or for facilitation of frontier trade.

#### Article 4

1. Investments or returns of investors of either Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for the public interest, and against prompt, adequate and effective compensation, provided that such measures are taken on a non-discriminatory basis and in accordance with law.

2. Such compensation shall amount to the market value of the investment or returns expropriated immediately before the expropriation or impending expropriation become public