

No. 30487

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**ESTONIA
and
SWEDEN**

**Agreement on the promotion and reciprocal protection of
investments. Signed at Stockholm on 31 March 1992**

Authentic text: English.

Registered by Estonia on 17 November 1993.

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**ESTONIE
et
SUÈDE**

**Accord relatif à l'encouragement et à la protection récipro-
ques des investissements. Signé à Stockholm le 31 mars
1992**

Texte authentique : anglais.

Enregistré par l'Estonie le 17 novembre 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF ESTONIA AND THE GOVERNMENT OF THE KINGDOM OF
SWEDEN ON THE PROMOTION AND RECIPROCAL PROTEC-
TION OF INVESTMENTS

The Government of the Republic of Estonia and the
Government of the Kingdom of Sweden,

desiring to intensify, in conformity with the
principles of international law, economic
cooperation to the mutual benefit of both countries
and to maintain fair and equitable conditions for
investments by investors of one Contracting Party
in the territory of the other Contracting Party,

recognizing that the promotion and protection of
such investments favour the expansion of the
economic relations between the two Contracting
Parties and stimulate investment initiatives,

have agreed as follows:

Article 1

Definitions

For the purposes of this Agreement:

(1) The term "investment" shall mean every kind of
asset, invested by an investor of one Contracting Party
in the territory of the other Contracting Party,
provided that the investment has been made in accordance
with the laws and regulations of the other Contracting
Party, and shall include in particular, though not
exclusively:

¹ Came into force on 20 May 1992, the date on which the Contracting Parties notified each other of the completion of their national legal requirements, in accordance with article 10 (1).

- (a) movable and immovable property as well as any other property rights, such as mortgage, lien and similar rights;
- (b) shares and other kinds of interest in companies;
- (c) title to money or any performance having an economic value;
- (d) intellectual property rights, technical processes, trade names, know-how, good-will and other similar rights; and
- (e) business concessions conferred by law, administrative decisions or contracts, including concessions to search for, cultivate, extract or exploit natural resources.

Goods that under a leasing agreement are placed at the disposal of a lessee in the territory of one Contracting Party by a lessor being a national of the other Contracting Party or a legal person having its seat in the territory of that Contracting Party, shall be treated not less favourably than an investment.

(2) The term "investor" shall mean:

- (a) any natural person who is a national of a Contracting Party in accordance with its laws; and
- (b) any legal person having its seat in the territory of either Contracting Party, or in a third country with a predominant interest of an investor of either Contracting Party.

Article 2

Promotion and Protection of Investments

(1) Each Contracting Party shall, subject to its general policy in the field of foreign investment, promote in its territory investments by investors of the other Contracting Party and shall admit such investments in accordance with its legislation.

(2) Each Contracting Party shall at all times ensure fair and equitable treatment of the investments by investors of the other Contracting Party and shall not impair the management, maintenance, use, enjoyment or disposal thereof as well as the acquisition of goods and

services and the sale of their production, through unreasonable or discriminatory measures.

(3) Subject to the laws and regulations relating to the entry and sojourn of aliens, individuals working for an investor of one Contracting Party, as well as members of their household, shall be permitted to enter into, remain on and leave the territory of the other Contracting Party for the purpose of carrying out activities associated with investments in the territory of the latter Contracting Party.

(4) In order to create favourable conditions for assessing the financial position and results of activities related to investments in the territory of one of the Contracting Parties, this Contracting Party shall - notwithstanding its own national requirements for bookkeeping and auditing - permit the investment to be subject also to bookkeeping and auditing according to standards which the investor is subjected to by his national requirements or according to internationally accepted standards (e.g. International Accounting Standards (IAS) drawn up by the International Accounting Standards Committee (IASC)). The result of such accountancy and audit shall be freely transferable to the investor.

(5) The investments made in accordance with the laws and regulations of the Contracting Party in whose territory they are undertaken, enjoy the full protection of this Agreement.

Article 3

Treatment of Investments

(1) Each Contracting Party shall apply to investments in its territory by investors of the other Contracting Party a treatment which is no less favourable than that accorded to investments by investors of third States.

(2) Notwithstanding the provisions of Paragraph (1) of this Article, a Contracting Party which has concluded or may conclude an agreement regarding the formation of a customs union, a common market, a free-trade area or an integration area shall be free to grant more favourable treatment to investments by investors of the State or States which are also parties to the aforesaid agreements, or by investors of some of these States.

(3) The treatment granted to investments under the Commercial Agreements which the Kingdom of Sweden has concluded with the Ivory Coast on 27 August 1965,¹ with Madagascar on 2 April 1966² and with Senegal on 24 February 1967³ shall not be invoked as the basis of most-favoured-nation treatment under this Article.

(4) The provisions of Paragraph (1) of this Article shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

Article 4

Expropriation and Compensation

(1) Neither of the Contracting Parties shall take any direct or indirect measure of nationalization or expropriation or any other measure having the same nature or the same effect against investments in its territory belonging to investors of the other Contracting Party, unless the following conditions are complied with:

(a) the measures are taken in the public interest and under due process of law;

(b) the measures are distinct and not discriminatory; and

(c) the measures are accompanied by provisions for the payment of prompt, adequate and effective compensation, which shall be transferable without delay in a freely convertible currency.

(2) The provisions of Paragraph (1) of this Article shall also apply to the income from an investment as well as, in the event of liquidation, to the proceeds from the liquidation.

(3) Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to war or other armed

¹ United Nations, *Treaty Series*, vol. 1386, p. 59.

² *Ibid.*, p. 67.

³ *Ibid.*, p. 75.