

No. 30711

**REPUBLIC OF KOREA
and
LITHUANIA**

Agreement on the mutual promotion and protection of investments. Signed at Seoul on 24 September 1993

Authentic texts: Korean, Lithuanian and English.

Registered by the Republic of Korea on 23 February 1994.

**RÉPUBLIQUE DE CORÉE
et
LITUANIE**

Accord relatif à la promotion et à la protection mutuelles des investissements. Signé à Séoul le 24 septembre 1993

Textes authentiques : coréen, lituanien et anglais.

Enregistré par la République de Corée le 23 février 1994.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF
LITHUANIA ON THE MUTUAL PROMOTION AND PROTEC-
TION OF INVESTMENTS

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

Desiring to develop economic cooperation between the two States,

Intending to encourage and create 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,

Recognizing that the mutual promotion and protection of investments on
the basis of this Agreement stimulates business initiative in this field,

Have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement:

- (1) the term "investments" shall mean every kind of asset, and in particular, though not exclusively, includes:
 - (a) movable and immovable property and any other property rights such as mortgages, liens and pledges;
 - (b) shares, stocks and debentures of companies or interests in the property of such companies;
 - (c) claims to money or to any performance under contract having an economic value;

¹ Came into force on 9 November 1993, the date on which the Contracting Parties notified each other of the completion of their respective legal requirements, in accordance with article 12 (1).

- (d) industrial and intellectual property rights, including rights with respect to copyrights, patents, trademarks, tradenames, industrial designs, trade secrets, technical processes, know-how and goodwill;
- (e) business concessions of economic value necessary for conducting economic activities, conferred by law or under contract, including concessions to search for, cultivate, extract and exploit natural resources,

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

- (2) the term "returns" shall mean the amount yielded by an investment, and in particular, though not exclusively, shall include profits, interests, dividends, royalties, fees or other current incomes;
- (3) the term "investor" shall mean, with respect to either Contracting Party:
 - (a) natural persons having the nationality of that Contracting Party in accordance with its laws,
 - (b) any companies, firms, organizations and associations incorporated or constituted in accordance with the laws of that Contracting Party;
- (4) the term "territory" shall mean the territory of the Republic of Korea and the territory of the Republic of Lithuania respectively, as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea of either of the above territories, over which the State concerned exercises, in accordance with international law, sovereign rights for the purpose of exploration and exploitation of the natural resources of such areas.

- (5) the term 'freely convertible currency' shall mean the currency that is widely used to make payments for international transactions and widely traded for in the international principal exchange markets.

Article 2
Promotion and Protection of Investments

(1) Each Contracting Party shall promote and encourage within its territory investments made by investors of the other Contracting Party, create favourable conditions for investors of the other Contracting Party for investment and shall admit such investments in accordance with its legislation.

(2) Investments made by investors of each Contracting Party shall be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

Article 3
National and Most Favoured Nation Treatment

(1) Investments made by investors of one Contracting Party in the territory of the other Contracting Party, as also the returns therefrom, shall be accorded treatment which is fair and equitable and not less favourable than that accorded to the investments and returns of the investors of the latter Contracting Party or of any third State.

(2) Each Contracting Party shall in its territory accord to investors of the other Contracting Party as regards the management, use, enjoyment or disposal of their investments treatment which is fair and equitable and not less favourable than that which it accords to its own investors or to the investors of any third State.

Article 4
Compensation for Losses

Investors of one Contracting Party, whose investments in the territory of the other Contracting Party suffered losses owing to war or armed conflict, state emergency or other similar events shall be accorded treatment, as regards compensation or other forms of settlement, not less favourable than that accorded by the latter Contracting Party to its own investors or to the investors of any third State. Any payment made under this Article shall be freely transferable.

Article 5
Expropriation

(1) Investments made by investors of one 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 a public purpose. The expropriation shall be carried out on a non-discriminatory basis in accordance with legal procedures and against compensation.

(2) Such compensation shall amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation became public knowledge, shall include interest from the date of expropriation and be freely transferable. Compensation shall be effective, adequate and be paid without undue delay.

(3) The investor whose investment was expropriated, shall have the right under the law of expropriating Contracting Party to prompt review by a judicial or other appropriate authority of that Contracting Party of his case and of valuation of his investment in accordance with the principles set out in this paragraph.