

No. 30896

**ESTONIA
and
NETHERLANDS**

**Agreement on encouragement and reciprocal protection of
investments. Signed at Tallinn on 27 October 1992**

Authentic text: English.

Registered by Estonia on 18 April 1994.

**ESTONIE
et
PAYS-BAS**

**Accord relatif à l'encouragement et à la protection récipro-
que des investissements. Signé à Tallinn le 27 octobre
1992**

Texte authentique : anglais.

Enregistré par l'Estonie le 18 avril 1994.

AGREEMENT¹ ON ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE REPUBLIC OF ESTONIA AND THE KINGDOM OF THE NETHERLANDS

The Government of the Republic of Estonia

and

the Government of the Kingdom of the Netherlands,

hereinafter referred to as the Contracting Parties,

Desiring to strengthen the friendly relations between their countries, to extend and intensify the economic relations between them particularly with respect to investments by the nationals of one Contracting Party in the territory of the other Contracting Party,

Recognizing that agreement upon the treatment to be accorded to such investments will stimulate the flow of capital and technology and the economic development of the Contracting Parties and that fair and equitable treatment of investment is desirable,

Have agreed as follows:

Article 1

For the purposes of the present Agreement:

(a) the term "investments" shall comprise every kind of asset and more particularly, though not exclusively:

- (i) movable and immovable property as well as any other rights in rem in respect of every kind of asset;
- (ii) rights derived from shares, bonds and other kinds of interests in companies and joint ventures;
- (iii) title to money, to other assets or to any performance having an economic value;

¹ Came into force on 1 September 1993, i.e., the first day of the second month following the date on which the Contracting Parties had notified each other of the completion of the required constitutional procedures, in accordance with article 14 (1).

- (iv) rights in the field of intellectual property, technical processes, goodwill and know-how;
 - (v) rights granted under public law, including rights to prospect, explore, extract and win natural resources.
- (b) the term "nationals" shall comprise with regard to either Contracting Party:
- (i) natural persons having the nationality of that Contracting Party in accordance with its laws;
 - (ii) legal persons constituted under the law of that Contracting Party;
 - (iii) legal persons not constituted under the law of that Contracting Party but controlled, directly or indirectly, by natural persons as defined in (i) or by legal persons as defined in (ii) above.
- (c) the term "territory" includes the maritime areas adjacent to the coast of the State concerned, to the extent to which that State exercises sovereign rights or jurisdiction in those areas according to international law.

Article 2

Either Contracting Party shall, within the framework of its laws and regulations, promote economic cooperation through the protection in its territory of investments of nationals of the other Contracting Party. Subject to its right to exercise powers conferred by its laws or regulations, each Contracting Party shall admit such investments.

Article 3

(1) Each Contracting Party shall ensure fair and equitable treatment of the investments of nationals of the other Contracting Party and shall not impair, by unreasonable or discriminatory measures, the operation, management, maintenance, use, enjoyment or disposal thereof by those nationals.

(2) More particularly, each Contracting Party shall accord to such investments full physical security and protection which in any case shall not be less than that accorded either to investments of its own nationals or to investments of nationals of any third State, whichever is more favourable to the national concerned.

If a Contracting Party has accorded special advantages to nationals of any third State by virtue of agreements establishing customs unions, economic unions, monetary unions or similar institutions, or on the basis of interim agreements leading to such unions or institutions, that Contracting Party shall not be obliged to accord such advantages to nationals of the other Contracting Party.

(4) Each Contracting Party shall observe any obligation it may have entered into with regard to investments of nationals of the other Contracting Party.

(5) If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contain a regulation, whether general or specific, entitling investments by nationals of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such regulation shall to the extent that it is more favourable prevail over the present Agreement.

Article 4

With respect to taxes, fees, charges and to fiscal deductions and exemptions, each Contracting Party shall accord to nationals of the other Contracting Party who are engaged in any economic activity in its territory, treatment not less favourable than that accorded to its own nationals or to those of any third State, whichever is more favourable to the nationals concerned. For this purpose, however, there shall not be taken into account any special fiscal advantages accorded by that Party:

- a) under an agreement for the avoidance of double taxation; or
- b) by virtue of its participation in a customs union, economic union or similar institution; or
- c) on the basis of reciprocity with a third State.

Article 5

The Contracting Parties shall guarantee that payments relating to an investment may be transferred. The transfers shall be made in a freely convertible currency, without undue restriction or delay. Such transfers include in particular though not exclusively:

- a) profits, interest, dividends and other current income;
- b) funds necessary
 - (i) for the acquisition of raw or auxiliary materials, semi-fabricated or finished products, or