

No. 47374

**Lithuania
and
Hungary**

Agreement between the Republic of Lithuania and the Republic of Hungary for the promotion and reciprocal protection of investments. Budapest, 25 May 1999

Entry into force: *20 May 2003 by notification, in accordance with article 12*

Authentic texts: *English, Hungarian and Lithuanian*

Registration with the Secretariat of the United Nations: *Lithuania, 21 April 2010*

**Lituanie
et
Hongrie**

Accord entre la République de Lituanie et la République de Hongrie relatif à la promotion et à la protection réciproque des investissements. Budapest, 25 mai 1999

Entrée en vigueur : *20 mai 2003 par notification, conformément à l'article 12*

Textes authentiques : *anglais, hongrois et lituanien*

Enregistrement auprès du Secrétariat des Nations Unies : *Lituanie, 21 avril 2010*

[ENGLISH TEXT – TEXTE ANGLAIS]

A G R E E M E N T
BETWEEN THE REPUBLIC OF LITHUANIA AND THE REPUBLIC OF
HUNGARY
FOR THE PROMOTION AND RECIPROCAL PROTECTION OF
INVESTMENTS

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

DESIRING to intensify economic cooperation to the mutual benefit of both States,

INTENDING to create and maintain favourable conditions for investments of investors of one State in the territory of the other State, and

CONSCIOUS that the promotion and reciprocal protection of investments, according to the present Agreement, stimulates the business initiatives in this field,

Have agreed as follows:

Article 1

Definitions

For the purposes of this Agreement:

1. The term "investment" shall comprise every kind of asset invested in connection with economic activities by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter and shall include, in particular, though not exclusively:

/a/ movable and immovable property as well as any other property rights *in rem* such as mortgages, liens, pledges and similar rights;

/b/ shares, stocks and debentures of companies or any other form of participation in a company;

/c/ claims to money or to any performance having an economic value associated with an investment;

/d/ intellectual property rights, including copyrights, trade marks, patents, industrial designs, technical processes, know-how, trade secrets, trade names and goodwill associated with an investment;

/e/ any right conferred by law or under contract and any licenses and permits pursuant to law, including the concessions to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment, provided such an alteration is made in accordance with the laws and regulations of the Contracting Party in whose territory the investment was made.

2. The term "investor" shall mean:

/a/ Any natural person having the nationality of either Contracting Party in accordance with its laws and regulations;

/b/ Any entity incorporated or constituted in the territory of either Contracting Party in accordance with its laws and regulations;

who invests in the territory of the other Contracting Party.

3. The term "returns" shall mean amounts yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties or fees.

The term "territory" shall mean the territory of the Republic of Hungary and the territory of the Republic of Lithuania respectively and with regard to the Republic of Lithuania also the territorial sea and any maritime or submarine area within which the Republic of Lithuania may exercise, in accordance with international law, rights for the purpose of exploration, exploitation and preservation of the sea-bed, sub-soil and natural resources.

Article 2

Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and, shall admit such investments, in accordance with its laws and regulations.
2. Investments of investors of either Contracting Party shall at all times 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. Each Contracting Party shall in its territory accord investments and returns of investors of the other Contracting Party treatment which is fair and equitable and not less favourable than that accorded to investments and returns of its own investors or to investments and returns of investors of any third State whichever is more favourable.
2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that accorded to its own investors or to investors of any third State, whichever is more favourable to investors.
3. The provisions of paragraph 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:
 - /a/ any customs union or free trade area or a monetary union or similar international agreements leading to such unions or institutions or other forms of regional cooperation to which either of the Contracting Parties is or may become a party;
 - /b/ any international agreement or arrangement relating wholly or mainly to taxation;
 - /c/ any multilateral agreements on investments to which either of the Contracting Parties is or may become a party.

Article 4

Compensation for Losses

1. When investments by investors of either Contracting Party suffer losses owing to war, armed conflict, a state of national emergency, revolt, insurrection, riot or other similar events in the territory of the other Contracting Party, they shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favourable than that

which the latter Contracting Party accords to its own investors or to investors of any third State.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from:

/a/ requisitioning of their property by its forces or authorities,

/b/ destruction of their property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation

shall be accorded just and adequate compensation for the losses sustained during the period of the requisitioning or as a result of the destruction of the property. Resulting payments shall be freely transferable in freely convertible currency without delay.

Article 5

Expropriation

1. Investments 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 a public purpose. The expropriation shall be carried out under due process of law, on a non-discriminatory basis and shall be accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investment expropriated immediately before expropriation or impending expropriation became public knowledge, shall include interest, calculated on the basis provided for by the laws and regulations of the Contracting Party in which territory the investment was made and with due respect to the principles of this Agreement, shall be made without delay, be effectively realizable and be freely transferable in freely convertible currency.

2. The investor affected shall have a right, to prompt review, by a judicial or other independent authority of that Contracting Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in this Article.

3. The provisions of paragraph 1 of this Article shall also apply where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its own territory, and in which investors of the other Contracting Party own shares.

Article 6

Transfers

1. The Contracting Parties shall guarantee the transfer of payments related to investments and returns. The transfers shall be made in a freely convertible currency, without any restriction and undue delay. Such transfers shall include in particular, though not exclusively:

/a/ capital and additional amounts to maintain or increase the investment;