AGREEMENT

BETWEEN

THE GOVERNMENT OF THE THE REPUBLIC OF MACEDONIA

AND

THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

FOR THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Macedonia and the Government of the Socialist Republic of Viet Nam (hereinafter referred to as the "Contracting Parties")

Desiring to create favorable conditions for the development of economic cooperation between them and in particular for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the encouragement and reciprocal protection of such investments will be conducive to the stimulation of business initiative and to the increase of prosperity in both Contracting Parties;

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 in accordance with the laws and regulation of the

Contracting Party in whose territory the investment is made and shall include, in particular though not exclusively:

(a) shares, stocks, bonds, debentures, or other securities and any other forms of equity or debt participation in companies;

(b) claims to money and claims under a contract, having financial value directly related to a specific investment;

(c) intellectual property rights, including copyrights, trademarks, patents, industrial designs and patterns and technical processes, know-how, trade secrets, trade names and goodwill;

(d) any rights of financial nature granted by law or contract, such as concessions granted in accordance with applicable law and regulations regulating the performance of activities including search, process, extract and exploit of natural resources;

(e) any other tangible and intangible, movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges.

The term "investment" does not mean claims to money that arise solely from:

(i) commercial contracts for sale of goods or services by a national or enterprise in the territory of one Contracting Party to an enterprise in the territory of the other Contracting Party, or

(ii) the extension of credit in connection with a commercial transaction, such as trade financing; or

(iii) any other claims to money, that do not involve the kinds of assets set out in subparagraphs 1 (a) through (e) above.

Any change in the form in which assets or rights are invested or reinvested shall not affect their character as investments provided that such change is in accordance with the laws and regulations of the host Contracting Party and this Agreement.

2. The term "investor" with respect to a Contracting Party shall mean:

(a) a natural person holding the citizenship of that Contracting Party in accordance with its applicable laws;

(b) a legal person constituted or incorporated under the laws and regulations of that Contracting Party, such as company, corporation, partnership, trust, joint-venture, business association or enterprise, and having its registered office and its main business operations in the territory of that Contracting Party.

3. The term "returns" shall mean amounts yielded by an investment, irrespective of the form in which they are paid, and in particular though not exclusively, include profits, interest, capital gains, dividends, royalties, and management fee, technical assistance or other payments or fees, and payments in kind, regardless of their type.

4. The term "territory" shall mean:

(a) As regards the Republic of Macedonia, refers to the territory of the Republic of Macedonia, including land, water and airspace over which the Republic of Macedonia exercises sovereign rights and jurisdiction in accordance with international law.

(b) As regards the Socialist Republic of Viet Nam, refers to its land territory, islands, internal waters, territorial sea and airspace above them, the maritime areas beyond territorial sea including seabed and subsoil thereof over which the Socialist Republic of Viet Nam exercises sovereignty, sovereign rights and jurisdiction in accordance with national legislation and international law.

5. The term "freely convertible currency" shall mean any currency that the International Monetary Fund determines, from time to time, as freely usable currency in accordance with the Articles of Agreement of the International Monetary Fund and any amendment thereto.

6. The term "public purpose" means as established under the national legislation of each of the Contracting Parties.

Article 2
Scope of Application

1. This Agreement shall apply to investments made by investors of a Contracting Party in the territory of the other Contracting Party prior to or after the entry into force of this Agreement and which have been approved by the host Contracting Party in accordance with its relevant laws and regulations.

2. This Agreement shall not apply to investment disputes arising out of events which occurred, or to investment disputes which had been settled, or which were already under judicial or arbitral process, prior to the entry into force of this Agreement.

3. This Agreement shall not apply to:

   (a) taxation;

   (b) government procurement; and

   (c) subsidies or grants provided by a Contracting Party.

Article 3
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, subject to its right to exercise powers conferred by its laws, shall admit such investment.

2. Investments of investors of each 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. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the use, management, conduct, operation, sale or other disposition of investments in its territory of investors of the other Contracting Party.

3. For greater certainty:

(a) fair and equitable treatment requires each Contracting Party not to deny justice in any legal or administrative proceedings; and

(b) full protection and security requires each Contracting Party to take such measures as may be reasonably necessary to ensure the protection and security of the covered investments.

4. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not necessarily mean that there has been a breach of paragraph 2 of this Article.

Article 4
Treatment of Investments

1. With respect to the use, management, conduct, operation, sale or other disposition of investments made in its territory by investors of the other Contracting Party, each Contracting Party shall, in its territory, accord to investments of investors of the other Contracting Party treatment no less favorable than that it accords, in like circumstances, to investments of investors of any third state.

2. The provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) any customs union, economic union, free trade area, monetary union, or other form of regional or bilateral economic agreement or other similar international agreement, to which either of the Contracting Parties is or may become a party; or

(b) any international, regional or bilateral agreement or other similar arrangement or any domestic legislation relating wholly or mainly to taxation.

Article 5
Compensation for Losses

When investments made by an investor of either Contracting Party suffer a loss owing to war or other armed conflict, a state of national emergency, revolt, civil disturbances, insurrection or riot in the territory of the other Contracting Party, such investor shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favorable than that the latter Contracting Party accords to its own investor or investor of any third state, whichever is more favorable to the investor.

Article 6
Expropriation

1. Investments of investors of one Contracting Party shall not be nationalized or expropriated (hereinafter referred to as "expropriated") in the territory of the other Contracting Party except for public purpose and against prompt, adequate and effective compensation. The expropriation shall be carried out on a non-discriminatory basis in accordance with legal procedures of the expropriating Contracting Party.

2. Such compensation shall amount to the market value of the expropriated investments at the time of its expropriation or at the time of announcement of such expropriation, whichever is the earlier, and shall be effectively realizable. Compensation should also include the interest calculated on the annual LIBOR basis from the date of expropriation to the date of payment.

3. Notwithstanding paragraphs 1 and 2 above, any measure of expropriation relating to land shall be subject to the laws and regulations of the expropriating Contracting Party concerning the terms of such expropriation and the payment of compensation.

4. Investors of one Contracting Party affected by expropriation shall have a right to prompt review by a judicial or other independent authority of the other Contracting Party, of their case and of the valuation of their

investments in accordance with the principles set out in this Article and the laws and regulations of expropriating Contracting Party.

Article 7
Transfer of Payments Related to Investments

1. Each Contracting Party shall, subject to its laws and regulations, guarantee to investors of the other Contracting Party the free transfer of payments in connection with an investment into and out of its territory, including the transfer of:

   (a) the initial capital and any additional capital for the maintenance, management and development of the investment;

   (b) returns;

   (c) payments under a contract, including amortization of principal and accrued interest payments made pursuant to a loan agreement directly related to specific investment;

   (d) royalties and fees for the rights referred to in Article 1 paragraph 1 (c);

   (e) proceeds from the sale or liquidation of the whole or any part of the investment;

   (f) earnings and other remuneration of personnel engaged from abroad in connection with the investment;

   (g) payments of compensation pursuant to Articles 5 and 6;

   (h) payments arising out of the settlement of disputes.

2. Transfers shall be effected, without delay, in a freely convertible currency in the applicable exchange rate in the Contracting Party in whose territory the investment was made, at the date of the transfer, in accordance with the procedures established by this Contracting Party, provided that all financial obligations towards this Contracting Party have been fulfilled.

3. The transfer referred to in paragraphs 1 and 2 of this Article shall be subject to Article 4 of this Argreement.

Article 8
Subrogation

1. If a Contracting Party or an agency designated by that Contracting Party makes a payment to an investor of that Contracting Party under a guarantee, a contract of insurance or other form of indemnity it has granted in respect of an investment, the other Contracting Party shall recognise the subrogation or transfer of any right or claim held by the investor in respect of such investment. The subrogated or transferred right or claim shall not be greater than the original right or claim of the investor.

2. Where a Contracting Party or an agency designated by that Contracting Party has made a payment to an investor of that Contracting Party and has taken over rights and claims of the investor, that investor shall not, unless authorised to act on behalf of the Contracting Party or the agency making the payment, pursue those rights and claims against the other Contracting Party.

Article 9
Settlement of Disputes Between a Contracting Party and an Investor

1. Any legal dispute arising directly out of an investment, between a Contracting Party and an investor of the other Contracting Party concerning an alleged breach of an obligation of the former under this Agreement relating to the management, conduct, operation or sale or other disposition of investment of the investor, and which causes loss or damage to that investment shall, as far as possible, be settled amicably through negotiations between the parties to the dispute.

2. If any such dispute cannot be settled within six (6) months following the date on which the dispute has been raised by the investor through written notification to the Contracting Party, the dispute may be submitted to:

(a) the competent court of the Contracting Party in the territory of which the investment has been made;

(b) the International Centre for Settlement of Investment Disputes (the "Centre") established pursuant to the Washington Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Nationals of Other States provided both Contracting Parties are parties to the said Convention;

(c) the Additional Facility of the Centre, if only one of the Contracting Parties is a signatory to the Washington Convention; or

(d) an ad hoc arbitral tribunal which, unless otherwise agreed upon by the parties to the dispute, shall be established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), excluding the UNCITRAL Rules on Transparency in Treaty-based Investor – State Arbitration.

Once the investor has submitted the dispute under any of the procedures stipulated above, that choice is final.

For greater certainty, the Most Favored Nation Treatment provision in this Agreement does not encompass a requirement to extend to the investors of the other Contracting Party dispute settlement procedures other than those set out in this Agreement.

3. The submission of a dispute to arbitration under paragraph 2 shall be conditional upon the submission of the dispute to such arbitration taking place within two (2) years of the time at which the disputing investor became aware, or should reasonably have become aware, of a breach of an obligation under this Agreement and, of the loss or damage incurred by the disputing investor or its investment.

4. The arbitration tribunal shall take its decisions in accordance with the provisions of this Agreement, the laws and regulations of the Contracting Party involved in the dispute on which territory the investment is made (including its rules on the conflict of law), the terms of any specific agreement concluded in relation to the particular investment involved and the relevant principles of international law.

5. Neither Contracting Party shall have the right to make counter claim, as a defense, at any stage of arbitration or within the execution of arbitration decision for the reason that the investor of the other Contracting Party in the dispute has received or will receive, pursuant to an insurance or guarantee contract, indemnification or other compensation for all or part of any alleged loss.

6. Any arbitral award rendered pursuant to this Article shall be final and binding on the parties to the dispute. Each Contracting Party shall undertake to execute the decisions in accordance with its national law.

Article 10

Settlement of Disputes Between the Contracting Parties

1. The Contracting Parties shall, as far as possible, settle any dispute concerning the interpretation or application of this Agreement through consultations or other diplomatic channels.

2. If the dispute has not been settled within six months following the date on which such consultations or other diplomatic channels were requested by either Contracting Party and unless the Contracting Parties otherwise agree in writing, either Contracting Party may, by written notice to the other Contracting Party, submit the dispute to an *ad hoc* arbitral tribunal in accordance with the following provisions of this Article.

3. The arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one member, and these two members shall agree upon a national of a third state as Chairman of the arbitral tribunal to be appointed by the two Contracting Parties. Such members shall be appointed within two months, and such Chairman within four months, from the date on which either Contracting Party has informed the other Contracting Party that it intends to submit the dispute to an arbitral tribunal.

4. If the periods specified in paragraph 3 above have not been complied with, either Contracting Party may, in the absence of any other arrangement, invite the President of the International Court of Justice to

make the necessary appointments. If the President of the International Court of Justice is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President of the International Court of Justice is a national of either Contracting Party or if he, too, is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.

5. The arbitral tribunal shall take its decision by a majority of votes. Such decision shall be made in accordance with this Agreement and such recognized rules of international law as may be applicable and shall be final and binding on both Contracting Parties. Each Contracting Party shall bear the costs of the member of the arbitral tribunal appointed by that Contracting Party, as well as the costs for its representation in the arbitration proceedings. The expenses of the Chairman as well as any other costs of the arbitration proceedings shall be borne in equal parts by the two Contracting Parties. However, the arbitral tribunal may, at its discretion, direct that a higher proportion or all of such costs be paid by one of the Contracting Parties. In all other respects, the arbitral tribunal shall determine its own procedure.

Article 11
Entry into Force

Each Contracting Party shall notify the other in writing, through diplomatic channels, when their legal requirements necessary for the entry into force of this Agreement have been fulfilled, and the Agreement shall enter into force on the thirtieth day after the date of receipt of the later notification.

Article 12
Duration and Termination

1. This Agreement shall remain in force for a period of ten (10) years, and shall continue in force, unless terminated in accordance with paragraph (2) of this Article.

2. Either Contracting Party may, by giving one (1) year's written notice to the other Contracting Party, terminate this agreement at the end of the initial ten (10) year period or anytime thereafter.

3. With respect to investments made or acquired prior to the date of termination of this Agreement, the provisions of all of the other Articles of this Agreement shall continue to be effective for a period of ten (10) years from such date of termination.

IN WITNESS WHEREOF, the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at SKOPJE on 15 OCTOBER 2014 in the Macedonian, Vietnamese and English languages, all texts being equally authentic. In the case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF MACEDONIA

FOR THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

Член 3

Министерството за финансии се определува како надлежен орган на државната управа што ќе се грижи за извршување на Договорот од членот 1 од овој закон.

Член 4

Овој закон влегува во сила осмиот ден од денот на објавувањето во "Службен весник на Република Македонија".