

No. 10445

**UNITED STATES OF AMERICA
and
COSTA RICA**

**Agreement relating to investment guaranties of the
Government of the United States. Signed at San José
on 22 November 1968**

Authentic texts: English and Spanish.

Registered by the United States of America on 1 May 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
COSTA RICA**

**Accord relatif à la garantie d'investissements par le
Gouvernement des États-Unis. Signé à San José le
22 novembre 1968**

Textes authentiques: anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 1^{er} mai 1970.

AGREEMENT¹ BETWEEN THE GOVERNMENTS OF THE
UNITED STATES OF AMERICA AND COSTA RICA
RELATING TO INVESTMENT GUARANTIES OF THE
GOVERNMENT OF THE UNITED STATES

The Government of the United States of America and the Government of Costa Rica, desiring to strengthen the friendly relations which unite the two countries, and recognizing that investments in Costa Rica of private capital originating in the United States of America can further the development of Costa Rica's economic resources and productive capacity, bringing about a rise in its production and an increase in trade between the United States and Costa Rica, have agreed as follows:

1. The Government of the United States of America and the Government of Costa Rica shall, upon the request of either one, consult concerning investments in Costa Rica which the Government of the United States of America may guaranty.

2. The Government of the United States of America will not guaranty an investment in Costa Rica unless the Government of Costa Rica approves the activity to which the investment relates.

3. If, in accordance with the Constitution and the laws of Costa Rica, and pursuant to an investment guaranty, an investor transfers to the Government of the United States of America (a) legal currency of Costa Rica, including credits in such currency; (b) any claims or rights which the investor has or may have, resulting from his business activities in Costa Rica or from events entitling the investor to payments under the investment guaranty; or (c) all or part of the interest of an investor in any property (real or personal, tangible or intangible) situated in Costa Rica, the Government of Costa Rica will recognize such transfer as valid and operative. Nothing in the subrogation envisaged herein shall give the Government of the United States greater rights against the assets of the enterprise for which the investment guaranty was granted than the rights of the subrogating investor.

4. Sums in legal currency of Costa Rica, including credits in such currency, acquired by the Government of the United States of America by

¹ Came into force on 24 October 1969, the date of the note whereby the Government of Costa Rica informed the Government of the United States of America that it had been approved in conformity with the constitutional procedures of Costa Rica, in accordance with paragraph 7.

virtue of a transfer of currency or from sales of property, rights, or claims transferred under an investment guaranty shall be accorded treatment by the Government of Costa Rica with respect to exchange, repatriation, or use thereof, no less favorable than the treatment accorded to funds of citizens of the United States of America derived from activities comparable to those carried out by the investor, and such sums may be used freely by the Government of the United States of America for any of its expenditures in Costa Rica.

5. Any dispute between the Governments regarding the interpretation or application of the provisions of this Agreement or arising from events causing payment under an investment guaranty shall, at the request of either of the Governments, be the subject of negotiations between the two Governments and in so far as possible shall be settled in those negotiations. If within a period of three months after a request for negotiation, the two Governments are unable to agree on a settlement of such dispute or claim, the matter shall be referred, upon the initiative of either Government, to a sole arbitrator selected by mutual agreement, for final and binding settlement according to the applicable principles of international law. If the two Governments are unable to agree on the selection of an arbitrator within a period of three months after either Government has indicated its desire to submit the question to arbitration, the President of the International Court of Justice shall, at the request of either of the two Governments, designate the arbitrator.

6. Recognition of the subrogations mentioned in Clause 3 of this Agreement shall be subject to the following conditions:

- a. None of the provisions of this Agreement shall give the Government of the United States of America other rights than those held by the investor with respect to any petitions, claims, or rights to which the Government of the United States has been subrogated.
- b. When the Constitution and laws of Costa Rica do not permit the acquisition by the Government of the United States of America of any right, title or participation that an investor may have in any property within Costa Rican territory, the transfer of such right, title, or participation to the Government of the United States of America shall not be valid; but the transfer to that Government of any claim to which the investor may be entitled under the laws of Costa Rica shall be valid for obtaining and receiving from the State of Costa Rica, through the appropriate legal channels, compensation for any right, title, or participation in such property. It is understood that when the investor's right, title, or participation refers to lands within Costa Rica, the Government of the United States will not seek to acquire title, dominion, possession, tenancy, or

occupancy of such lands, or in any way to acquire title of ownership to any part of such national territory.

- c. Pursuant to its Constitution, its laws, and the Agreement, the Government of Costa Rica will permit investors to make the necessary arrangements to dispose of properties still belonging to them after receiving compensation from the Government of the United States, transferring them in the most expeditious form, consistent with obtaining their fair value pursuant to the provisions of the laws of Costa Rica, to persons qualified to acquire them in accordance with such laws.

7. This Agreement shall enter into force on the date of the note whereby the Government of Costa Rica informs the Government of the United States of America that it has been approved in conformity with the constitutional procedures of Costa Rica. When this Agreement enters into force, it shall replace and terminate the Agreement on investment guaranties effected by an exchange of notes dated February 23 and 25, 1955, with the related note of February 26, 1955,¹ and from that date forward the provisions of this Agreement shall apply to investment guaranties issued by the Government of the United States of America under the aforementioned exchange of notes, to those issued in conformity with this Agreement but prior to its effective date, and to those issued in conformity with this Agreement after its effective date.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, sign this Agreement in San José, capital of the Republic of Costa Rica.

DONE in duplicate, in the English and Spanish languages, both equally authentic, on this twenty - second day of November, 1968.

For the Government of the United States of America:

[*Illegible – Illisible*]²
Ambassador

For the Government of the Republic of Costa Rica:

[*Illegible – Illisible*]³
Minister of Foreign Relations

¹ United Nations, *Treaty Series*, vol. 252, p. 129.

² Clarence A. Boonstra.

³ Fernando Lara.