

No. 14112

**FRANCE
and
YUGOSLAVIA**

**Convention on the protection of investments. Signed at
Paris on 28 March 1974**

Authentic text: French.

Registered by France on 16 July 1975.

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et
YUGOSLAVIE**

**Convention sur la protection des investissements. Signée à
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Texte authentique : français.

Enregistrée par la France le 16 juillet 1975.

[TRANSLATION — TRADUCTION]

CONVENTION¹ BETWEEN THE GOVERNMENT OF THE FRENCH
REPUBLIC AND THE GOVERNMENT OF THE SOCIALIST
FEDERAL REPUBLIC OF YUGOSLAVIA ON THE PROTECTION
OF INVESTMENTS

The Government of the French Republic and the Government of the Socialist Federal Republic of Yugoslavia, desiring to promote in Yugoslavia French investments contributing to the development of the economic resources and productive capacity of Yugoslavia, have agreed on the following provisions concerning the protection of investments against non-commercial risks:

Article 1. The French Government may, after examining each case and in accordance with its regulations regarding the coverage of non-commercial risks, issue the guarantee of the French State to investments made in the territory of the Socialist Federal Republic of Yugoslavia by French nationals, whether individuals or bodies corporate, under the conditions set forth in article 2 below.

Article 2. Such investments shall have been approved in accordance with the relevant Yugoslav regulations by the competent federal government authorities, who shall enter into a specific undertaking in respect of them with the said French nationals covering, *inter alia*, recourse to the International Centre for Settlement of Investment Disputes if, in the event of a dispute, an amicable settlement has not been reached within three months.

Article 3. The Yugoslav Government shall accord just, equitable and non-discriminatory treatment to French investments.

Article 4. French nationals, whether individuals or bodies corporate, shall enjoy, in respect of the investments referred to in article 1 of this Convention and in request of the exercise of professional and economic activities pertaining to such investments, the most favourable treatment accorded in such matters to nationals of any third country by Yugoslav legislation. Should such legislation be amended so as to provide less favourable treatment, the said investments shall continue to be governed by the provisions in force on the date on which the investments were approved.

Article 5. French nationals, whether individuals or bodies corporate, having a direct or indirect interest in investments made in Yugoslavia shall not be dispossessed of all or part of their rights except for reasons of public interest, and then only in the cases and according to the procedures provided for in Yugoslav legislation and subject to the payment of just compensation, to be determined not later than at the time of dispossession.

Article 6. The Yugoslav Government guarantees the free and expeditious transfer of the compensation referred to in article 5 above.

¹ Came into force on 3 March 1975, i.e., after the Convention had been signed and approved in accordance with the procedures prescribed by each Party, in accordance with article 10.

The French Government takes note of the Yugoslav regulations authorizing the free transfer of proceeds from foreign investments.

The guarantee referred to in article 1 above shall be subject, *inter alia*, to the French investor's obtaining a bank guarantee ensuring the free and expeditious transfer of proceeds from the possible liquidation of his investment.

Article 7. If the French State, by virtue of a guarantee issued in respect of an investment in the territory of the Socialist Federal Republic of Yugoslavia, makes payments to its own nationals, whether individuals or bodies corporate, it shall thereby automatically succeed to the rights of such nationals with respect to the Yugoslav Government.

Such payments shall not affect the rights of the beneficiary of the guarantee to have recourse to ICSID or to continue actions brought before it until the outcome of the proceedings has been determined.

Article 8. Any disputes arising as to the interpretation of this Convention which have not been settled within six months through the diplomatic channel may, at the request of either Party, be submitted to an arbitral tribunal, which shall be constituted as follows:

Each Party shall appoint an arbitrator within one month from the date on which the request for arbitration was received. The two arbitrators thus appointed shall, within two months following notification by the Party which was the last to appoint its arbitrator, select a third arbitrator, who shall be a national of a third State.

If one of the Parties has not appointed an arbitrator within the allotted time, the other Party may request the President of the International Court of Justice to make the appointment. That may also be done, at the request of either Party, should the two arbitrators fail to agree on the choice of the third arbitrator.

The decision of the arbitral tribunal shall be final and automatically enforceable. The arbitral tribunal shall establish its own rules of procedure.

Article 9. This Convention is concluded for an initial period of 10 years. It shall remain in force upon the expiry of that period unless it is terminated by one of the two Governments, which shall give one year's notice in writing.

In the event of termination, this Convention shall continue to apply to investments covered by its provisions and made during the period of its validity.

Article 10. This Convention shall enter into force when signed and approved in accordance with the procedures prescribed in each country.

DONE at Paris on 28 March 1974, in duplicate in the French language.

For the Government of the French Republic:

[Signed]

VALÉRY GISCARD D'ESTAING

For the Government of the Socialist Federal Republic of Yugoslavia:

[Signed]

JANKO SMOLE