

RCEP DRAFT INVESTMENT TEXT KOREA
(based on Draft Investment Text October 2015)

Article XX
SCOPE

1. This Chapter applies/shall apply to measures adopted or maintained by a Party relating to:

- (a) investors of another Party;
- (b) covered investments; and
- (c) with respect to Articles (Performance Requirements) and (Investment and Environment), all investments in the territory of the Party.

2. A Party's obligations under this Chapter/Section A [shall apply to/means] measures [adopted or maintained] by:

- (a) the central, regional, or local governments and authorities; and
- (b) [to] non-governmental body/ies [in the exercise of powers/when it exercises governmental authority] delegated by central [regional/provincial or sub-provincial levels of], or local governments or authorities.

3. For greater certainty, the provisions of this Chapter do/does not bind any/either/a Party in relation to any act or fact that took place or any situation that ceased to exist before the date of entry into force of this Agreement.

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Article XX
DEFINITIONS

For purposes of this Chapter:

Centre means the International Centre for Settlement of Investment Disputes (ICSID) established by the ICSID Convention;²

claimant means an investor of a Party that is a party to an investment dispute with the other Party;

covered investment means, with respect to a Party, an investment in [its] [the] territory of an investor of another Party, in existence as of the date of entry into force of this Agreement or established, acquired or expanded thereafter;

¹ Korea has a separate article on Relation to other Chapters.

² WGI9: To consider placing ISDS-related definitions in the ISDS Article.

disputing parties means the claimant and the respondent;

disputing party means either the claimant or the respondent;

Enterprise means any entity constituted or organised under applicable law and, whether or not for profit, and whether privately or governmentally-owned or controlled, including any corporation, trust, partnership, joint venture, sole proprietorship, association or similar organisation, and a branch of an enterprise.

enterprise of a Party means an enterprise constituted or organised under the law of a Party and a branch located in the territory of a Party and carrying out business activities there;

freely usable currency means freely usable currency as determined by the International Monetary Fund (IMF) under its Articles of Agreement;

ICSID means the International Centre for Settlement of Investment Disputes (ICSID) established by the ICSID Convention;

ICSID Additional Facility Rules means the *Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes*;

ICSID Convention means the *Convention on the Settlement of Investment Disputes between States and Nationals of other States*, done at Washington, March 18, 1965;

Investment authorization means an authorization that the foreign investment authority of a Party grants to a covered investment or an investor of any other Party;³
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Investment means every kind of asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain/s or profit/s, or the assumption of risk. Forms that an investment may take include

- (a) an enterprise;
- (b) shares, stocks, and/or other forms of equity participation in a juridical person/an enterprise;
- (c) bonds, debentures, other debt instruments and loans⁵
- (d) futures, options, and other derivatives;
- (e) turnkey, construction, management, production concession, revenue-sharing and other similar contracts;⁶

³ For greater certainty, actions taken by a Party to enforce laws of general application, such as competition laws, are not encompassed within this definition.

⁴ The Parties recognize that, as of the date of signature of this Agreement, neither Party has a foreign investment authority that grants investment authorizations.

⁵ Some forms of debt, such as bonds, debentures, and long-term notes, are more likely to have the characteristics of an investment, while other forms of debt, are less likely to have such characteristics.

⁶ For purposes of this Agreement, a claim to payment that arises solely from the commercial sale of goods and services is not an investment, unless it is a loan that has the characteristics of an investment.

- (f) intellectual property rights;
- (g) licences, authorisations, permits, and/or similar rights conferred pursuant to domestic law⁷; and
- (h) other tangible or intangible, movable and/or immovable property, and related/other property rights, such as leases, mortgages, liens, and/or pledges⁸;

[but] [The term] investment does not [mean] [include] an order or judgment entered in [a] judicial or administrative action.

For purposes of this Agreement, a claim to payment that arises solely from the commercial sale of goods and services is not an investment, unless it is a loan that has the characteristics of an investment.⁹

investment agreement means a written agreement¹⁰ between a national authority¹¹ of a Party and a covered investment or an investor of any other Party, on which the covered investment or the investor relies in establishing or acquiring a covered investment other than the written agreement itself, that grants rights to the covered investment or investor:

- (a) with respect to natural resources that a national authority controls, such as for their exploration, extraction, refining, transportation, distribution, or sale;
- (b) to supply services to the public on behalf of the Party, such as power generation or distribution, water treatment or distribution, or telecommunications; or
- (c) to undertake infrastructure projects, such as the construction of roads, bridges, canals, dams, or pipelines, that are not for the exclusive or predominant use and benefit of the government;

⁷ Whether a particular type of licence, authorisation, permit, or similar instrument (including a concession, to the extent that it has the nature of such an instrument) has the characteristics of an investment depends on such factors as the nature and extent of the rights that the holder has under the law of the Party. Among the licences, authorisations, permits, and similar instrument[s] that do not have the characteristics of an investment are those that do not create any rights protected under domestic law. For greater certainty, the foregoing is without prejudice to whether any asset associated with the licence, authorisation, permit, or similar instrument [s] has the characteristics of an investment.

⁸ For greater certainty, market share, market access, expected gains, and opportunities for profit-making are not, by themselves, investments

⁹ *WGI 10: to be considered placement together with similar texts on "claims to money" above.*

¹⁰ "Written agreement" refers to an agreement in writing, executed by both parties, whether in a single instrument or in multiple instruments, that creates an exchange of rights and obligations, binding on both parties under the law applicable under Article XX.X(Amendments of the Final Provisions Chapter). For greater certainty, (a) a unilateral act of an administrative or judicial authority, such as a permit, license, or authorization issued by a Party solely in its regulatory capacity, or a decree, order, or judgment, standing alone; and (b) an administrative or judicial consent decree or order, shall not be considered a written agreement.

¹¹ For purposes of this definition, national authority means an authority at the central level of government.

investor of a non-Party means, with respect to a Party, an investor that attempts to make, is making, or has made an investment in the territory of that Party, that is not an investor of either Party;

investor of a Party means a Party [./or] a state enterprise thereof [national/natural person of a Party] or [a juridical person/an enterprise] of a Party that attempts to make, is making, or has made an investment in the territory of another Party; provided, however, that a natural person who is a dual national shall be deemed to be exclusively a national of the State of his or her dominant and effective nationality;

WGI 10: KR may also submit a text for the definition of “measures”, before the next meeting.

New York Convention means the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, done at New York, June 10, 1958;

non-disputing Party means [a/the] Party of the claimant;

protected information means confidential business information or information that is privileged or otherwise protected from disclosure under a Party’s law;

respondent means the Party that is a party to an investment dispute;

Secretary-General means the Secretary-General of ICSID; and

UNCITRAL Arbitration Rules means the arbitration rules of the United Nations Commission on International Trade Law.

Article XX NATIONAL TREATMENT

1. Each Party shall accord to investors of another/the other Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments treatment no less favourable than that it accords, in like circumstances, to investments in its territory of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

3. The treatment to be accorded by a Party under paragraphs 1 and 2 means, with respect to a regional level of government, treatment no less favourable than the most favourable/favoured treatment accorded, in like circumstances, by that regional level of government to investors, and to investments of investors, of the Party of which it forms a part.

Article XX MOST FAVOURED NATION TREATMENT #

1. Each Party shall accord to investors of [another/any other] Party treatment no less favourable than that it accords, in like circumstances, to investors of any non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments treatment no less favourable than that it accords, in like circumstances, to investments in its territory of investors of any non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

Footnote to MFN: For greater certainty, Article X does not apply to investor-state dispute settlement mechanisms such as those set out in Section B.

Article XX
TREATMENT OF INVESTMENT /
MINIMUM STANDARD OF TREATMENT¹²

1. Each Party shall accord to covered investments treatment in accordance with the customary international law, including fair and equitable treatment and full protection and security.

2. For greater certainty, paragraph 1 prescribes the customary international law minimum standard of treatment of aliens as the minimum standard of treatment to be afforded to covered investments.

3. The concepts of “fair and equitable treatment” and “full protection and security” do not require treatment in addition to or beyond that which is required by that standard, [customary international law?] and do not create additional substantive rights. The obligation in paragraph 1 to provide:

- (a) fair and equitable treatment includes the obligation not to deny justice in any legal or administrative proceedings in criminal, civil, or administrative adjudicatory proceedings in accordance with the principle of due process embodied in the principal legal systems of the world; and;
- (b) full protection and security requires each/a Party to provide the level of police protection required under customary international law [?].

4. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, [does/shall] not establish that there has been a breach of this Article.

Article XX

¹² Article X.5(Minimum Standard of Treatment) shall be interpreted in accordance with Annex X-A(Customary International Law).

PROHIBITION OF PERFORMANCE REQUIREMENTS

1. No Party may, in connection with the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of investments in its territory of an investor of [any other/another/a] Party or of a non-Party, impose or enforce any requirement or enforce any commitment or undertaking:¹³

- (a) to export a given level or percentage of goods or services;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced in its territory, or to purchase goods from person/s in its territory;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment;
- (e) to restrict sales of goods or services in its territory that such investment produces or supplies by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;
- (f) to transfer a particular technology, a production process, or other proprietary knowledge to a person in its territory; or
- (g) to supply exclusively from the territory of the Party the goods that such investment produces or the services that it supplies to a specific regional market or to the world market.

2. [No/Neither] Party may condition the receipt or continued receipt of an advantage, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment in its territory of an investor of a Party or of a non-Party, on compliance with any requirement/s:

- (a) to achieve a given level or percentage of domestic content;
- (b) to purchase, use, or accord a preference to goods produced in its territory, or to purchase goods from persons in its territory;
- (c) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment; or

¹³ For greater certainty, a condition for the receipt or continued receipt of an advantage referred to in paragraph 2 does not constitute a “commitment or undertaking” for the purposes of paragraph 1.

(d) to restrict sales of goods or services in its territory that such investment produces or supplies by relating such sales in any way to the volume or value of its exports or foreign exchange earnings.

3.

(a) Nothing in paragraph 2 shall be construed to prevent a Party from conditioning the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with a requirement to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.¹⁴

(b) Paragraph 1(f) shall not apply:

(i) when a Party authorises use of an intellectual property right in accordance with Article 31 of the TRIPS Agreement, or to measures requiring the disclosure of proprietary information that fall within the scope of, and are consistent with, Article 39 of the TRIPS Agreement; or

(ii) when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal, or competition authority to remedy a practice determined after judicial or administrative process to be anticompetitive under the Party's competition laws.¹⁵

(c) Paragraphs 1(a), 1(b), and 1(c), and 2(a) and 2(b), shall not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programs.

(d) Provided that such measures are not applied in an arbitrary or unjustifiable manner, or do not constitute a disguised restriction on international trade or investment, paragraphs 1(b), 1(c), and 1(f), and 2(a) and 2(b), shall not be construed to prevent a Party from adopting or maintaining measures, including environmental measures:

(i) necessary to secure compliance with laws and regulations that are not inconsistent with this Agreement;

(ii) necessary to protect human, animal, or plant life or health; or

¹⁴ For greater certainty, nothing in paragraph 1 shall be construed to prevent a Party, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party in its territory, from imposing or enforcing a requirement or enforcing a commitment or undertaking to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory, provided that such activity is consistent with paragraph 1: (f).

¹⁵ The Parties recognise that a patent does not necessarily confer market power.

(iii) related to the conservation of living or non-living exhaustible natural resources.

(e) Paragraphs 1(b), (c), (f), (g), and 2(a) and (b) do not apply to government procurement.

(f) Paragraphs 2(a) and 2(b) [shall/do] not apply to requirements imposed by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

4. For greater certainty, paragraphs 1 and 2 shall/do not apply to any commitment, undertaking, or requirement other than those set out in those paragraphs.

5. This Article does not preclude enforcement of any commitment, undertaking, or requirement between private parties, where a Party did not impose or require the commitment, undertaking, or requirement. For purposes of this Article, private parties include designated monopolies or state enterprises, where such entities are not exercising delegated governmental authority.

Article XX SENIOR MANAGEMENT AND BOARD OF DIRECTORS

1. No Party may require that an enterprise of that Party that is a covered investment appoint to senior management positions natural persons of any particular nationality.

2. [A Party] may require that a majority of the board of directors, or any committee thereof, of [a juridical person/an enterprise] of that Party that is a covered investment, be of a particular nationality, or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

Article XX RESERVATIONS / NON-CONFORMING MEASURES

1. Article/s (Most-Favoured-Nation Treatment), (Performance Requirements)] and (Senior Management and Boards of Directors), shall not apply to:

(a) any existing non-conforming measure that is maintained by a Party at:

(i) the central level of government as set out by that Party in its Schedule of Reservations in [Annex 1/List 1/3];

(ii) the [regional/provincial] level of government as set out by that Party in its Schedule of Reservations to [Annex 1/in List 1]; or

(iii) the local level of government.¹⁶¹⁷

(b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a)/(i); or

(c) an amendment to any non-conforming measure referred to in subparagraph (a)/(i) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles (National Treatment), (Most-Favoured-Nation Treatment), Performance Requirements and (Senior Management and Boards of Directors).

2. Article/s (National Treatment), (Most-Favoured-Nation Treatment), (Performance Requirements), and (Senior Management and Boards of Directors), shall not apply to any reservation for measures that a Party adopts or maintains with respect to sectors, sub-sectors or activities, as set out in [its Schedule to Annex II/List 2].

3. No Party may, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule [to/in] Annex II, require an investor of [any/the other/another] Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.

4. Articles (National Treatment) and (Most Favoured Nation Treatment) do not apply to any measure that is an exception to, or derogation from, [a Party's/the] obligations under Article [XX.X] (National Treatment, IP Chapter's General Provisions), as specifically provided in that Article.¹⁸

5. Articles (National Treatment), (Most-[Favored/Favoured]-Nation Treatment), and (Senior Management and Board of Directors) do not apply to:

(a) government procurement; or

(b) subsidies or grants provided by a Party, including government-supported loans, guarantees, and insurance.

Article X.7 TRANSFERS¹⁹

1. Each Party/Member State shall [allow/permit] all transfers/funds relating to a covered investment to be made freely and without delay into and out of its territory. Such transfers/funds include:

(a) contributions to capital, including the initial contribution;

¹⁶ For Korea, local level of government means a local government as defined in the Local Autonomy Act.

¹⁷ *WGI 9: KR informed that its footnote is for clarity*

¹⁸ WGI9: May have to wait for developmens within the IP WG to finalise the text for this provision.

¹⁹ For greater certainty, Annex X-F applies to this Article.

- (b) profits, dividends, capital gains, and proceeds from the sale of all or any part of the covered investment or from the partial or complete liquidation of the covered investment;
- (c) interest, royalty payments, management fees, and technical assistance and other fees;
- (d) payments made under a contract, including a loan agreement;
- (e) payments made [in accordance/pursuant] to [Article (Compensation for Losses)] and Article (Expropriation)]
- (f) payments arising out of the settlement of a dispute

2. Each Party shall [allow/permit] such transfers relating to a/the covered investment to be made in a freely usable currency at the market rate of exchange prevailing at the time of transfer

3. Each Party shall permit returns in kind relating to a covered investment to be made as [authorized/authorised] or specified in a written agreement between the Party and a covered investment or an investor of [any other/another] Party.

4. Notwithstanding Paragraphs 1 [and 2/through 3], a Party/Host State may prevent or delay a transfer through the equitable, non-discriminatory, and good faith application of its laws relating to:

- (a) bankruptcy, insolvency, or the protection of the rights of creditors;
- (b) issuing, trading, or dealing in securities, futures, options, or derivatives;
- (c) criminal or penal offences;
- (d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
- (e) ensuring compliance with orders or judgments in judicial or administrative proceedings;

Annex X-F Transfers

1. Nothing in this Chapter, Chapter [XX] (Cross-Border Trade in Services), or [Chapter XX] (Financial Services) shall be construed to prevent a Party from adopting or maintaining temporary safeguard measures with regard to payments and capital movements:

- (a) in the event of serious balance of payments or external financial difficulties or threat thereof; or

- (b) where, in exceptional circumstances, payments and capital movements cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy in either Party.

2. The measures referred to in paragraph 1:

- (a) shall not exceed a period of one year; however, if extremely exceptional circumstances arise such that a Party seeks to extend such measures, the Party will coordinate in advance with the other Party concerning the implementation of any proposed extension;
- (b) shall be consistent with the Articles of Agreement of the International Monetary Fund;
- (c) shall not exceed those necessary to deal with the circumstances described in paragraph 1;
- (d) shall avoid unnecessary damage to the commercial, economic, or financial interests of any other Party;
- (e) shall not otherwise interfere with investors' ability to earn a market rate of return in the territory of the Party on any restricted assets;²⁰
- (f) shall be temporary and phased out progressively as the situation described in paragraph 1 improves;
- (g) shall not be confiscatory;
- (h) shall promptly be notified to the other Party;
- (i) are applied in a manner consistent with Articles X.3(National Treatment), XX.X (National Treatment of the Cross-Border Trade in Services Chapter) and XX.X(National Treatment of the Financial Services) and Articles X.4(Most-Favored-Nation Treatment) , XX.X (Most-Favored-Nation Treatment of the Cross-Border Trade in Services Chapter) and XX.X(Most-Favored-Nation Treatment of the Financial Services Chapter) subject to the Schedules set out in Annex I, Annex II, and Annex III;
- (j) shall not constitute a dual or multiple exchange rate practice; and
- (k) shall not restrict payments or transfers associated with foreign direct investment.

3. Nothing in this Chapter, Chapter [XX] (Cross-Border Trade in Services), or [Chapter XX] (Financial Services) shall be regarded to affect the rights enjoyed and obligations undertaken by a Party as a party to the *Articles of Agreement of the International Monetary Fund*.

²⁰ For greater certainty, the term "restricted assets" in subparagraph (d) refers only to assets invested in the territory of Korea by an investor of any other Party that are restricted from being transferred out of the territory of Korea.

Article XX
SPECIAL FORMALITIES AND DISCLOSURE OF INFORMATION

1. Nothing in Article (National Treatment) shall be construed to prevent a Party/Host State from adopting or maintaining a measure that prescribes special formalities in connection with covered investments, [including a/such as a] requirement that covered investments be legally constituted under [the/its] laws or regulations ,provided that such formalities do not substantially/materially impair the protections afforded by a Party/Host State to investors of another Party/Member State and [their] covered investments [pursuant to/in accordance with] this Chapter/Agreement.

2. Notwithstanding Article (National Treatment) and/or (Most Favoured Nation Treatment), a Party/Host State may require an investor of another Party/Member State, or [a/its] covered investment, to provide information concerning that investment solely for informational or statistical purposes. The Party/Host State shall protect [such/any] confidential business information from any disclosure that would prejudice the competitive position of the investor or the covered investment. Nothing in this paragraph shall be construed to prevent a Party/Host State from otherwise obtaining or disclosing information in connection with the equitable and good faith application of its law/s.

Article XX
**COMPENSATION IN CASES OF STRIFE/TREATMENT IN CASE OF ARMED
CONFLICT OR CIVIL STRIFE**

1. Notwithstanding Article (XX)(subsidies and grants), each Party shall accord to investors of the other Party, and to covered investments, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to armed conflict or civil strife.

2. Notwithstanding paragraph 1, if an investor of a Party, in the situations referred to in paragraph 1, suffers a loss in the territory of [the other/any other/another] Party resulting from:

- (a) requisitioning of its covered investment or part thereof by the latter's forces or authorities; or
- (b) destruction of its covered investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation;

the latter Party shall provide the investor with restitution, compensation, or both as appropriate, for such loss. Any compensation shall be prompt, adequate, and effective, compensation, shall be in accordance with Article [Expropriation and Compensation] paragraphs 2 through 4, *mutatis mutandis*.

3. Paragraph 1 does not apply to existing measures relating to subsidies or grants that would be inconsistent with Article [National Treatment] but for Non-Conforming Measures.

Article XX SUBROGATION

1. Where [a/an/any] designated agency designated by a Party/Member State makes a payment to any of its investor/s of Party/Member State under a guarantee, a contract of insurance or other form of indemnity against non-commercial risk/s in respect of an investment of an investor of that Party, any other Party/Member State shall recognise the subrogation or transfer of any right/s or claim in respect of such investment.

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

Article XX EXPROPRIATION AND COMPENSATION²¹

1. No Party may expropriate or nationalise a covered investment/s either directly or through measures equivalent to expropriation or nationalisation (“expropriation”) except:
 - (a) for a public purpose;
 - (b) in/on a non-discriminatory manner;
 - (c) On payment of prompt, adequate and effective compensation and
 - (d) in accordance with due process of law and Article X.5.1 through X.5.3.
2. The compensation referred to in Paragraph 1(c) shall:
 - (a) be paid without delay;
 - (b) be equivalent to the fair market value of the expropriated [investment immediately before the expropriation took place (“the date of expropriation”); or when the expropriation occurred, whichever is applicable];
 - (c) not reflect any change in value occurring because the intended expropriation had become known earlier; and
 - (d) be fully realisable and freely transferable.

²¹ Article [Expropriation and Compensation] shall be interpreted in accordance with Annexes X-A and X-B.

3. If the fair market value is denominated in a freely usable currency, the compensation referred to in paragraph 1(c) shall be no less than the fair market value on the date of expropriation, plus interest at a commercially reasonable rate for that currency, accrued from the date of expropriation until the date of payment.
4. If the fair market value is denominated in a currency that is not freely usable, the compensation referred to in paragraph 1(c) – converted into the currency of payment at the market rate of exchange prevailing on the date of payment – shall be no less than:
 - (a) the fair market value on the date of expropriation, converted into a freely usable currency at the market rate of exchange prevailing on that date, plus
 - (b) interest at a commercially reasonable rate for that freely usable currency, accrued from the date of expropriation until the date of payment.
5. This Article does not apply to the issuance of compulsory licences granted in relation to intellectual property rights, in accordance with the TRIPS Agreement, or to the revocation, limitation, or creation of intellectual property rights, to the extent that such issuance, revocation, limitation, or creation is consistent with Chapter XX (Intellectual Property Rights)

Annex on Expropriation

The Parties confirm their shared understanding that:

- i.
 1. An action or a series of actions by a Party cannot constitute an expropriation unless it interferes with a tangible or intangible property right in an investment.
 2. Article (Expropriation and Compensation) addresses two situations. The first is
 - (a) direct expropriation, where an investment is nationalised or otherwise directly expropriated through formal transfer of title or outright seizure.
 - (b) The second situation addressed by Article XX (Expropriation and Compensation) is indirect expropriation, where an action or a series of actions by a Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.
 - (c) The determination of whether an action or series of actions by a Party in a specific fact situation, constitutes an indirect expropriation, requires a case-by-case, fact-based inquiry that considers relevant factors relating to the investment, including:
 - (i) the economic impact of the government action, although the fact that an action or a series of actions by a Party has an adverse effect on the economic value of an investment, standing alone, does not establish that an indirect expropriation has occurred;

- (ii) the extent to which the government action interferes with distinct, reasonable investment-backed expectations;²²
 - (iii) the character of the government action and context. Relevant considerations could include whether the government action imposes a special sacrifice on the particular investor or investment that exceeds what the investor or investment should be expected to endure for the public interest.
3. Except in rare circumstances, such as, for example, when an action or a series of actions is extremely severe or disproportionate in light of its purpose or effect, Non-discriminatory regulatory actions by a Party to protect legitimate public welfare objectives, such as public health, safety, and the environment, and real estate price stabilization (through, for example, measures to improve the housing conditions for low-income households), do not constitute indirect expropriation/s.²³

Annex On Taxation And Expropriation

1. The determination of whether a taxation measure, in a specific fact situation, constitutes an expropriation requires a case-by-case, fact-based inquiry that considers all relevant factors relating to the investment, including the factors listed in Annex X-B and the following considerations:
- (a) The imposition of taxes does not generally constitute an expropriation. The mere introduction of a new taxation measure or the imposition of a taxation measure in more than one jurisdiction in respect of an investment generally does not in and of itself constitute an expropriation;
 - (b) A taxation measure that is consistent with internationally recognized tax policies, principles, and practices should not constitute an expropriation. In particular, a taxation measure aimed at preventing the avoidance or evasion of taxation measures generally does not constitute an expropriation;
 - (c) A taxation measure that is applied on a non-discriminatory basis, as opposed to a taxation measure that is targeted at investors of a particular nationality or at specific taxpayers, is less likely to constitute an expropriation; and
 - (d) A taxation measure generally does not constitute an expropriation if it was already in force when the investment was made and information about the measure was publicly available.

²² For greater certainty, whether an investor's investment-backed expectations are reasonable depends in part on the nature and extent of governmental regulation in the relevant sector. For example, an investor's expectations that regulations will not change are less likely to be reasonable in a heavily regulated sector than in a less heavily regulated sector.

²³ For greater certainty, the list of "legitimate public welfare national treatments" in subparagraph (b) is not exhaustive.

Article XX
Investor-State Dispute Settlement

Article Consultation(s) and Negotiation

1. In the event of an investment dispute, the claimant and the respondent should initially seek to resolve the dispute through consultation and negotiation, which may include the use of non-binding, third-party procedures.

ARTICLE X.X
Submission of a Claim to Arbitration

1. In the event that an/a disputing party considers that an investment dispute cannot be settled by consultation(s) and negotiation:

- (a) the claimant, on its own behalf, may submit to arbitration under this Section a claim
 - (i) that the respondent has breached
 - (A) an obligation under Section A,
 - (B) an investment authorization, or
 - (C) an investment agreement;
 - (ii) that the claimant has incurred loss or damage by reason of, or arising out of, that breach; and
- (b) the claimant, on behalf of an enterprise of the respondent that is a juridical person that the claimant owns or controls directly or indirectly, may submit to arbitration under this Section a claim
 - (i) that the respondent has breached
 - (A) an obligation under section A,
 - (B) an investment authorization, or
 - (C) an investment agreement; and
 - (ii) that the enterprise has incurred loss or damage by reason of, or arising out of, that breach, provided that a claimant may submit pursuant to subparagraph (a)(i) (C) or (b)(i) (C) a claim for breach of an investment agreement only if the subject matter of the claim and the claimed damages directly relate to the covered investment that was established or acquired, or sought to be established or acquired, in reliance on the relevant investment agreement.

2. At least 90 days before submitting any claim to arbitration under this Section, a claimant shall deliver to the respondent a written notice of its intention to submit the claim to arbitration (“notice of intent”). The notice shall specify:

- (a) the name and address of the claimant and, where a claim is submitted on behalf of an enterprise, the name, address, and place of incorporation of the enterprise;
- (b) for each claim, the provision of this Agreement, investment authorization, or investment agreement alleged to have been breached and any other relevant provisions;
- (c) the legal and factual basis for each claim; and
- (d) the relief sought and the approximate amount of damages claimed.

3. Provided that six months have elapsed since the events giving rise to the claim, a claimant may submit a claim referred to in paragraph 1:

- (a) under the ICSID Convention and the ICSID Rules of Procedure for Arbitration Proceedings, provided that both the respondent and the non-disputing Party are parties to the ICSID Convention;
- (b) under the ICSID Additional Facility Rules, provided that either the respondent or the non-disputing Party is a party to the ICSID Convention;
- (c) under the UNCITRAL Arbitration Rules; or
- (d) if the claimant and respondent agree, to any other arbitration institution or under any other arbitration rules.

4. A claim shall be deemed submitted to arbitration under this Section when the claimant’s notice of, or request for, arbitration (“notice of arbitration”):

- (a) referred to in paragraph 1 of Article 36 of the ICSID Convention is received by the Secretary-General;
- (b) referred to in Article 2 of Schedule C of the ICSID Additional Facility Rules is received by the Secretary-General;
- (c) referred to in Article 3 of the UNCITRAL Arbitration Rules, together with the statement of claim referred to in Article 18 of the UNCITRAL Arbitration Rules, are received by the respondent; or
- (d) referred to under any arbitral institution or arbitral rules selected under paragraph 3(d) is received by the respondent.

A claim asserted by the claimant for the first time after such notice of arbitration is submitted shall be deemed submitted to arbitration under this Section on the date of its receipt under the applicable arbitral rules.

5. The arbitration rules applicable under paragraph 3, and in effect on the date the claim or claims were submitted to arbitration under this Section, shall govern the arbitration except to the extent modified by this Agreement.

6. The claimant shall provide with the notice of arbitration:

(a) the name of the arbitrator that the claimant appoints; or

(b) the claimant's written consent for the Secretary-General to appoint that arbitrator.

Article X.19 Consent of Each Party to Arbitration

1. Each Party consents to the submission of a claim to arbitration under this Section in accordance with this Agreement.

2. The consent under paragraph 1 and the submission of a claim to arbitration under this Section shall satisfy the requirements of

(a) Chapter II of the ICSID Convention and the ICSID Additional Facility Rules for written consent of the parties to the dispute; and

(b) Article II of the New York Convention for an "agreement in writing."

Article X20 Conditions and Limitations on Consent of Each Party

1. No claim may be submitted to arbitration under this Section if more than three years have elapsed from the date the claimant first acquired, or should have first acquired, knowledge of the breach alleged under Article X 18.1 and knowledge that the claimant (for claims brought under Article X.18.1(a)) or the enterprise (for claims brought under Article 18.1(b)) has incurred loss or damage.

2. No claim may be submitted to arbitration under this Section unless:

(a) the claimant consents in writing to arbitration in accordance with the procedures set out in this Agreement; and

(b) the notice of arbitration is accompanied,

(i) for claims submitted to arbitration under X.18.1(a) by the claimant's written waiver, and

(ii) for claims submitted to arbitration under Article X.18.1(b), by the claimant's and the enterprise's written waivers, of any right to initiate any proceedings, excluding proceedings for interim injunctive relief referred to in paragraph 3, before any of the other dispute settlement [?] for a breach referred to in Article X.18 in relation to the matter under dispute.

3. Notwithstanding paragraph 2(b), the claimant (for claims brought under Article X18.1(a)) and the claimant or the enterprise (for claims brought under Article X18.1(b)) may initiate or continue an action that seeks interim injunctive relief and does not involve the payment of monetary damages before a judicial or administrative tribunal of the respondent, provided that the action is brought for the sole purpose of preserving the claimant's or the enterprise's rights and interests during the pendency of the arbitration.

Article X.22/X21 Selection of Arbitrators

1. Unless the disputing parties otherwise agree, the tribunal shall comprise three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, appointed by agreement of the disputing parties.

2. For purposes of Article 39 of the ICSID Convention and Article 7 of Schedule C to the ICSID Additional Facility Rules, and without prejudice to an objection to an arbitrator on a ground other than nationality:

- (a) the respondent agrees to the appointment of each individual member of a tribunal established under the ICSID Convention or the ICSID Additional Facility Rules;
- (b) a claimant referred to in Article X.18.1(a) may submit a claim to arbitration under this Section, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the claimant agrees in writing to the appointment of each individual member of the tribunal; and
- (c) a claimant referred to in Article X.18.1(b) may submit a claim to arbitration under this Section, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the claimant and the enterprise agree in writing to the appointment of each individual member of the tribunal.

ARTICLE X.33 Conduct of the Arbitration

1. The disputing parties may agree on the legal place of any arbitration under the arbitral rules applicable under Article X.18.3. If the disputing parties fail to reach agreement, the tribunal shall determine the place in accordance with the applicable arbitral rules, provided that the place shall be in the territory of a State that is a party to the New York Convention.

2. At the request of a disputing party, and unless the disputing parties otherwise agree, the tribunal may determine the place of meetings, including consultations and hearings, taking into consideration appropriate factors, including the convenience of the parties and the arbitrators, the location of the subject matter, and the proximity of

evidence. The preceding sentence is without prejudice to any appropriate factors a tribunal may consider under paragraph 1.

3. The non-disputing Party may make oral and written submissions to the tribunal regarding the interpretation of this Agreement. On the request of a disputing party, the non-disputing Party should resubmit its oral submission in writing.

4. After consulting the disputing parties, the tribunal may allow a party or entity that is not a disputing party to file a written amicus curiae submission(s) with the tribunal regarding a matter within the scope of the dispute. In determining whether to allow such a filing, the tribunal shall consider, among other things, the extent to which:

- (a) the amicus curiae submission would assist the tribunal in the determination of a factual or legal issue related to the proceeding by bringing a perspective, particular knowledge, or insight that is different from that of the disputing parties;
- (b) the amicus curiae submission would address a matter within the scope of the dispute; and
- (c) the amicus curiae has a significant interest in the proceeding.

The tribunal shall ensure that the amicus curiae submission does not disrupt the proceeding or unduly burden or unfairly prejudice either disputing party, and that the disputing parties are given an opportunity to present their observations on the amicus curiae submission.

5. Without prejudice to a tribunal's authority to address other objections as a preliminary question, a tribunal shall address and decide as a preliminary question any objection by the respondent that, as a matter of law, a claim submitted is not a claim for which an award in favor of the claimant may be made under X28.

- (a) Such objection shall be submitted to the tribunal as soon as possible after the tribunal is constituted, and in no event later than the date the tribunal fixes for the respondent to submit its counter-memorial or, in the case of an amendment to the notice of arbitration, the date the tribunal fixes for the respondent to submit its response to the amendment.
- (b) On receipt of an objection under this paragraph, the tribunal shall suspend any proceedings on the merits, establish a schedule for considering the objection consistent with any schedule it has established for considering any other preliminary question, and issue a decision or award on the objection, stating the grounds therefor/e.
- (c) In deciding an objection under this paragraph, the tribunal shall assume to be true claimant's factual allegations in support of any claim in the notice of arbitration (or any amendment thereof) and, in disputes brought under the UNCITRAL Arbitration Rules, the statement of claim referred to in article 18 of

the UNCITRAL Arbitration Rules. The tribunal may also consider any relevant facts not in dispute.

- (d) The respondent does not waive any objection as to competence or any argument on the merits merely because the respondent did or did not raise an objection under this paragraph or make use of the expedited procedure set out in paragraph 6.

6. In the event that the respondent so requests within 45 days of the date the tribunal is constituted, the tribunal shall decide on an expedited basis an objection under paragraph 6 and any objection that the dispute is not within the tribunal's competence. The tribunal shall suspend any proceedings on the merits and issue a decision or award on the objection(s), stating the grounds therefor/e, no later than 150 days after the date of the request. However, if a disputing party requests a hearing, the tribunal may take an additional 30 days to issue the decision or award. Regardless of whether a hearing is requested, a tribunal may, on a showing of extraordinary cause, delay issuing its decision or award by an additional brief period, which may not exceed 30 days.

7. When it decides a respondent's objection under paragraph 5 or 6, the tribunal may, if warranted, award to the prevailing disputing party reasonable costs and attorney's fees incurred in submitting or opposing the objection. In determining whether such an award is warranted, the tribunal shall consider whether either the claimant's claim or the respondent's objection was frivolous, and shall provide the disputing parties a reasonable opportunity to comment.

8. A respondent may not assert as a defense, counterclaim, or right of set-off, or for any other reason, that the claimant has received or will receive indemnification or other compensation for all or part of the alleged damages pursuant to an insurance or guarantee contract, except with respect to any subrogation as provided for in Article X.14.

9. A tribunal may order an interim measure of protection to preserve the rights of a disputing party, or to ensure that the tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a disputing party or to protect the tribunal's jurisdiction. A tribunal may not order attachment or enjoin the application of a measure alleged to constitute a breach referred to in Article X18. For purposes of this paragraph, an order includes a recommendation.

- (a) In any arbitration conducted under this Section, at the request of a disputing party, a tribunal shall, before issuing a decision or award on liability, transmit its proposed decision or award to the disputing parties and to the non-disputing Party. Within 60 days after the date the tribunal transmits its proposed decision or award, the disputing parties may submit written comments to the tribunal concerning any aspect of its proposed decision or award. The tribunal shall consider any such comments and issue its decision or award not later than 45 days after the date the 60-day comment period expires.

- (b) Subparagraph (a) shall not apply in any arbitration conducted pursuant to this Section for which an appeal has been made available pursuant to paragraph 11 or Annex X-D.

11. If a separate, multilateral agreement enters into force between the Parties that establishes an appellate body for purposes of reviewing awards rendered by tribunals constituted pursuant to international trade or investment arrangements to hear investment disputes, the Parties shall strive to reach an agreement that would have such appellate body review awards rendered under Article X.28 in arbitrations commenced after the multilateral agreement enters into force between the Parties.

ARTICLE 23: Transparency of Arbitral Proceedings

1. Subject to paragraphs 2,3 and 4, the respondent shall, after receiving the following documents, promptly transmit them to the non-disputing Party and make them available to the public:

- (a) the notice of intent;
- (b) the notice of arbitration;
- (c) pleadings, memorials, and briefs submitted to the tribunal by a disputing party and any written submissions submitted pursuant to Article 22.3 and X.22.4 and Article X.27;
- (d) minutes or transcripts of hearings of the tribunal, where available; and
- (e) orders, awards, and decisions of the tribunal.

2. The tribunal shall conduct hearings open to the public and shall determine, in consultation with the disputing parties, the appropriate logistical arrangements. However, any disputing party that intends to use information designated as protected information in a hearing shall so advise the tribunal. The tribunal shall make appropriate arrangements to protect such information from disclosure.

3. Nothing in this Section, requires a respondent to disclose protected information or to furnish or allow access to information that it may withhold in accordance with Article XX (Essential Security of the Exception Chapter) or Article XX (Disclosure of Information of the Exception Chapter).

4. Any protected information that is submitted to the tribunal shall be protected from disclosure in accordance with the following procedures:

- (a) Subject to subparagraph (d), Neither the disputing parties nor the tribunal shall disclose to any non-disputing Party or to the public any protected information where the disputing party that provided the information clearly designates it in accordance with subparagraph (b);
- (b) Any disputing party claiming that certain information constitutes protected information shall clearly designate the information at the time it is submitted to the tribunal;
- (c) A disputing party shall at the time it submits a document containing information claimed to be protected information, submit a redacted version of the document that does not contain the information. Only the redacted version shall be provided to the non-disputing Party and made public in accordance with paragraph 1.
- (d) The tribunal, shall decide any objection regarding the designation of information claimed to be protected information. If the tribunal determines that such information was not properly designated, the disputing party that submitted the information may (i) withdraw all or part of its submission containing such information, or (ii) agree to resubmit complete and redacted documents with corrected designations in accordance with the tribunal's determination and subparagraph (c). In either case, the other disputing party shall, whenever necessary, resubmit complete and redacted documents which either remove the information withdrawn under (i) by the disputing party that first submitted the information or redesignate the information consistent with the designation under (ii) of the disputing party that first submitted the information; and
- (e) At the request of a disputing Party, the Joint Committee shall consider issuing a decision in writing regarding a determination by the tribunal that information claimed to be protected was not properly designated. If the Joint Committee issues a decision within 60 days of such a request, it shall be binding on the tribunal, and any decision or award issued by the tribunal must be consistent with that decision. If the Joint Committee does not issue a decision within 60 days, the tribunal's determination shall remain in effect only if the non-disputing Party submits a written statement to the Joint Committee within that period that it agrees with the tribunal's determination.

5. Nothing in this Section requires a respondent to withhold from the public information required to be disclosed by its laws.

ARTICLE X24 Governing Law

1. Subject to paragraph 3, when a claim is submitted under Article X.18.1(a)(i)(A) or Article X.18.1(b)(i)(A) the tribunal shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law.

2. Subject to paragraph 3 and the other terms of this Section, when a claim is submitted under Article X.18.1(a)(i)(B) or (C), or Article X.18.1(b)(i)(B) or (C), the tribunal shall apply:

(a) the rules of law specified in the pertinent investment authorization or investment agreement, or as the disputing parties may otherwise agree; or

(b) if the rules of law have not been specified or otherwise agreed:

(i) the law of the respondent, including its rules on the conflict of laws;²⁴ and

(ii) such rules of customary international law as may be applicable.

3. A decision of the Joint Committee declaring its interpretation of a provision of this Agreement under Article [XX.X] (Joint Committee) shall be binding on a tribunal and any decision or award issued by a tribunal must be consistent with that decision.

ARTICLE X25 Interpretation of Annexes

1. Where a respondent asserts as a defense that the measure alleged to be a breach is within the scope of an entry set out in Annex I or Annex II the tribunal shall, on request of the respondent, request the interpretation of the Joint Committee on the issue. The Joint Committee shall submit in writing any decision declaring its interpretation under Article [XX.X] (Joint Committee) to the tribunal within 60 days of delivery of the request.

2. A decision issued by the Joint Committee under paragraph 1 under paragraph 1, shall be binding on the tribunal, and any decision or award issued by the tribunal must be consistent with that joint decision. If the Joint Committee fail/s to issue such a decision within 90 days, the tribunal shall decide the issue.

Article X26 Expert Reports

Without prejudice to the appointment of other kinds of experts where authorized by the applicable arbitration rules, a tribunal, at the request of a disputing party or, unless the disputing parties disapprove, on its own initiative, may appoint one or more experts to report to it in writing on any factual issue concerning environmental, health, safety, or other scientific matters raised by a disputing party in a proceeding, subject to such terms and conditions as the disputing parties may agree.

ARTICLE X27 Consolidation

²⁴ For purposes of clause (i),] the “law of the respondent” means the law that a domestic court or tribunal of proper jurisdiction would apply in the same case.

1. Where two or more claims have been submitted separately to arbitration under Article X.18.1 and the claims have a question of law or fact in common and arise out of the same events or circumstances, any disputing party may seek a consolidation order in accordance with the agreement of all the disputing parties sought to be covered by the order or the terms of paragraphs 2 through 10.

2. A disputing party that seeks a consolidation order under this Article shall deliver, in writing, a request to the Secretary-General and to all the disputing parties sought to be covered by the order and shall specify in the request:

- (a) the names and addresses of all the disputing parties sought to be covered by the order;
- (b) the nature of the order sought; and
- (c) the grounds on which the order is sought.

3. Unless the Secretary-General finds within 30 days after receiving a request under paragraph 2 that the request is manifestly unfounded, a tribunal shall be established under this Article.

4. Unless all the disputing parties sought to be covered by the order otherwise agree, a tribunal established under this Article shall comprise three arbitrators:

- (a) one arbitrator appointed by agreement of the claimants;
- (b) one arbitrator appointed by the respondent; and
- (c) the presiding arbitrator appointed by the Secretary-General, provided, however, that the presiding arbitrator shall not be a national of either Party.

5. If, within 60 days after the Secretary-General receives a request made under paragraph 2, the respondent fails or the claimants fail to appoint an arbitrator in accordance with paragraph 4, the Secretary-General, on the request of any disputing party sought to be covered by the order, shall appoint the arbitrator or arbitrators not yet appointed. If the respondent fails to appoint an arbitrator, the Secretary-General shall appoint a national of the disputing Party, and if the claimants fail to appoint an arbitrator, the Secretary-General shall appoint a national of the non-disputing Party.

6. Where a tribunal established under this Article is satisfied that two or more claims that have been submitted to arbitration under Article X18.1 have a question of law or fact in common, and arise out of the same events or circumstances, the tribunal may, in the interest of fair and efficient resolution of the claims, and after hearing the disputing parties, by order:

- (a) assume jurisdiction over, and hear and determine together, all or part of the claims;

- (b) assume jurisdiction over, and hear and determine one or more of the claims, the determination of which it believes would assist in the resolution of the others; or
- (c) instruct a tribunal previously established under Article X21 to assume jurisdiction over, and hear and determine together, all or part of the claims, provided that
 - (i) that tribunal, at the request of any claimant not previously a disputing party before that tribunal, shall be reconstituted with its original members, except that the arbitrator for the claimants shall be appointed pursuant to paragraphs 4(a) and 5; and
 - (ii) that tribunal shall decide whether any prior hearing shall be repeated.

7. Where a tribunal has been established under this Article, a claimant that has submitted a claim to arbitration under Article X18.1 and that has not been named in a request made under paragraph 2 may make a written request to the tribunal that it be included in any order made under paragraph 6, and shall specify in the request:

- (a) the name and address of the claimant;
- (b) the nature of the order sought; and
- (c) the grounds on which the order is sought.

The claimant shall deliver a copy of its request to the Secretary-General.

- 8. A tribunal established under this Article shall conduct its proceedings in accordance with the UNCITRAL Arbitration Rules, except as modified by this Section.
- 9. A tribunal established under Article X21 shall not have jurisdiction to decide a claim, or a part of a claim, over which a tribunal established or instructed under this Article has assumed jurisdiction.
- 10. On application of a disputing party, a tribunal established under this Article, pending its decision under paragraph 6, may order that the proceedings of a tribunal established under Article X21 be stayed, unless the latter tribunal has already adjourned its proceedings.

ARTICLE X28

Award

1. Where a tribunal makes a/an final award against a respondent, the tribunal may award, separately or in combination, only:

- (a) monetary damages and any applicable interest; and

- (b) restitution of property, in which case the award shall provide that the respondent may pay monetary damages and any applicable interest in lieu of restitution.

A tribunal may also award costs and attorney's fees in accordance with this Section and the applicable arbitration rules.

2. Subject to paragraph 1, where a claim is submitted to arbitration under Article X18.1(b):

- (a) an award of restitution of property shall provide that restitution be made to the enterprise;
- (b) an award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise; and
- (c) the award shall provide that it is made without prejudice to any right that any person may have in the relief under applicable domestic law.

4. A tribunal may not award punitive damages.

5. An award made by a tribunal shall have no binding force except between the disputing parties and in respect of the particular case.

6. Subject to paragraph 7 and the applicable review procedure for an interim award, a disputing party shall abide by and comply with an award without delay.

7. A disputing party may not seek enforcement of a final award until:

- (a) in the case of a final award made under the ICSID Convention,
 - (i) 120 days have elapsed from the date the award was rendered and no disputing party has requested revision or annulment of the award; or
 - (ii) revision or annulment proceedings have been completed; and
- (b) in the case of a final award under the ICSID Additional Facility Rules, the UNCITRAL Arbitration Rules, or the rules selected pursuant to Article X.18.3(d),
 - (i) 90 days have elapsed from the date the award was rendered and no disputing party has commenced a proceeding to revise, set aside, or annul the award; or
 - (ii) a court has dismissed or allowed an application to revise, set aside, or annul the award and there is no further appeal.

8. Each Party shall provide for the enforcement of an award in its territory.

9. If the respondent fails to abide by or comply with a final award, on delivery of a request by the non-disputing Party, a panel shall be established under Article [XX].9 (Establishment of Panel of the Dispute Settlement Chapter)]. The requesting Party may seek in such proceedings:

(a) a determination that the failure to abide by or comply with the final award is inconsistent with the obligations of this Agreement; and

(b) in accordance with Article Article [XX].11 (Panel Report of the Dispute Settlement Chapter) a recommendation that the respondent abide by or comply with the final award.

10. A disputing party may seek enforcement of an arbitration award under the ICSID Convention or the New York Convention regardless of whether proceedings have been taken under paragraph 9.

11. A claim that is submitted to arbitration under this Section shall be considered to arise out of a commercial relationship or transaction for purposes of Article I of the New York Convention.

ARTICLE X29 Service of Documents

Delivery of notice and other documents on a Party shall be made to the place named for that Party in Annex X-C.

Annex X.C: Service of Documents on a Party under Section B

Notices and other documents in disputes under Section B shall be served on the [/Japan/Korea] by delivery to:

Office of International Legal Affairs
Ministry of Justice of the Republic of Korea
Government Complex, Gwacheon
Korea