Agreement

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Commonwealth of Dominica
for the Promotion and Protection of Investments

Roseau, 23 January 1987

[The Agreement entered into force on 23 January 1987]
AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE
COMMONWEALTH OF DOMINICA FOR THE PROMOTION AND
PROTECTION OF INVESTMENTS

The Government of the United Kingdom of Great Britain and Northern Ireland and
the Government of the Commonwealth of Dominica;

Desiring to create favourable conditions for greater investment by nationals and
companies of one State in the territory of the other State;

Recognising that the encouragement and reciprocal protection under international
agreement of such investments will be conducive to the stimulation of individual business
initiative and will increase prosperity in both States;

Have agreed as follows:

ARTICLE 1
Definitions

For the purposes of this Agreement:

1. "investment" means every kind of asset and in particular, though not exclusively,
   includes:
   (1) movable and immovable property and any other property rights such as
       mortgages, liens or pledges;
   (2) shares in and stock and debentures of a company and any other form of
       participation in a company;
   (3) claims to money or to any performance under contract having a financial value;
   (4) intellectual property rights and goodwill;
   (5) business concessions conferred by law or under contract, including concessions to
       search for, cultivate, extract or exploit natural resources.
   change in the form in which assets are invested does not affect their character as
   investments and the term "investment" includes all investments, whether made before or
   after the date of entry into force of this Agreement;

2. "returns" means the amounts yielded by an investment and in particular, though not
   exclusively, includes profit, interest, capital gains, dividends, royalties and fees;

3. "nationals" means;
   (a) in respect of the United Kingdom: physical persons deriving their status as United
       Kingdom nationals from the law in force in the United Kingdom;
   (b) in respect of Dominica: physical persons deriving their status as citizens of
       Dominica under the Commonwealth of Dominica Constitution Order 1978 or the
       Commonwealth of Dominica Citizenship Act 1978 (No, 26 of 1978) or any other
       applicable law in force in Dominica;

4. "companies" means:
   (a) in respect of the United Kingdom: corporations, firms and associations
       incorporated or constituted under the law in force in any part of the United
       Kingdom or in any territory to which this Agreement is extended in accordance
       with the provisions of Article 11;
   (b) in respect of Dominica: corporations, firms and associations incorporated or
       constituted under the law in force in Dominica;

5. "territory" means:
   (a) in respect of the United Kingdom: Great Britain and Northern Ireland and any
       territory to which this Agreement is extended in accordance with the provisions of
       Article 11;
   (b) in respect of Dominica: the whole of the Commonwealth of Dominica.
ARTICLE 2

Promotion and Protection of Investment

1. Each Contracting Party shall encourage and create favourable conditions for nationals or companies of the other Contracting Party to invest capital in its territory, and subject to its right to exercise powers conferred by its laws, shall admit such capital.

2. Investments of nationals or companies 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 management, maintenance, use, enjoyment or disposal of investments in its territory of nationals or companies of the other Contracting Party. Each Contracting Party shall observe any obligation it may have entered into with regard to investments of nationals or companies of the other Contracting Party.

ARTICLE 3

National Treatment and Most-favoured-nation Provisions

1. Neither Contracting Party shall in its territory subject investments or returns of nationals or companies of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of its own nationals or companies or to investments or returns of nationals or companies of any third State.

2. Neither Contracting Party shall in its territory subject nationals or companies of the other Contracting Party, as regards their management, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords to its own nationals or companies or to nationals or companies of any third State.

ARTICLE 4

Compensation for Losses

1. Nationals or companies of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment regarding restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own nationals or companies or to nationals or companies of any third State.

2. Without prejudice to paragraph 1 of this Article, nationals and companies of a Contracting Party who in any of the situations referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from:
   (a) requisitioning of their property by its forces or authorities; or
   (b) destruction of their property by its forces or authorities, which was not caused by combat action or was not required by the necessity of the situation, shall be accorded restitution or adequate compensation. Resulting payments shall be effectively transferable.

ARTICLE 5

Expropriation

1. Investments of nationals or companies of either Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose related to the internal needs of that Party and against prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investment expropriated immediately before the expropriation or before the impending expropriation became public knowledge, whichever is the earlier, shall include interest at a normal commercial rate until the date of payment, shall be made without delay, be effectively realisable and
freely transferable. The national or company affected shall have a right, under the law of the Contracting Party making the expropriation, to prompt review, by a judicial or other independent authority of that Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in this paragraph.

Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its own territory, and in which nationals or companies of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to guarantee prompt, adequate and effective compensation in respect of their investment to such nationals or companies of the other Contracting Party who are owners of those shares.

ARTICLE 6

Exceptions

The provisions in this Agreement relative to the grant of treatment not less favourable than that accorded to the nationals or companies of either Contracting Party or of any third State shall not be construed so as to oblige one Contracting Party to extend to the nationals or companies of the other the benefit of any treatment, preference or privilege resulting from:

(i) any existing or future customs union or similar international agreement to which either of the Contracting Parties is or may become a party; or

(ii) any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

ARTICLE 7

Repatriation of Investment and Returns

1. Each Contracting Party shall in respect of investments guarantee to nationals or companies of the other Contracting Party the unrestricted transfer to the country where they reside of their investments and returns, subject to the right of each Contracting Party to maintain an exceptional balance of payments difficulties and for a limited period to exercise suspensively and in good faith powers conferred by its laws. Such powers shall not however be used to impede the transfer of profit, interest, dividends, royalties or fees; as regards investments any other form of return, transfer of a minimum of 20% a year is guaranteed.

2. Transfers of currency shall be effected without delay in the convertible currency in which the capital was originally invested or in any other convertible currency agreed by the investor and the Contracting Party concerned. Unless otherwise agreed by the investor transfers shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force.

ARTICLE 8

Settlement of Investment Disputes

Disputes between a national or company of one Contracting Party and the other Contracting Party concerning an obligation of the latter under this Agreement in relation to an investment of the former which have not been amicably settled shall, after a period of three months from written notification of a claim, be submitted to international arbitration if either party to the dispute so wishes.

Where the dispute is referred to international arbitration, the investor and the Contracting Party concerned in the dispute may agree to refer the dispute either to:

(i) the International Centre for the Settlement of Investment Disputes (having regard to the provisions, where applicable, of the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington DC on 18 March 1965\(^1\) and the Additional Facility for the Administration of Conciliation, Arbitration and Fact Finding Proceedings); or

\(^1\) Treaty Series No. 25 (1967), Cmnd. 3255.
(b) the Court of Arbitration of the International Chamber of Commerce; or
(c) an international arbitrator or ad hoc arbitration tribunal to be appointed by a special
agreement or established under the Arbitration Rules of the United Nations
Commission on International Trade Law.

If after a period of three months from written notification of the claim there is no
agreement to an alternative procedure, the parties to the dispute shall be bound to submit
it to arbitration under the Arbitration Rules of the United Nations Commission on
International Trade Law as then in force. The parties to the dispute may agree in writing
to modify these Rules.

**ARTICLE 9**

**Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation or application
   of this Agreement should, if possible, be settled through the diplomatic channel.

2. If a dispute between the Contracting Parties cannot thus be settled, it shall upon
   request of either Contracting Party be submitted to an arbitral tribunal.

3. Such an arbitral tribunal shall be constituted for each individual case in the following
   way. Within two months of the receipt of the request for arbitration, each Contracting
   Party shall appoint one member of the tribunal. Those two members shall then select
   a national of a third State who on approval by the two Contracting Parties shall be
   appointed Chairman of the tribunal. The Chairman shall be appointed within two months
   from the date of appointment of the other two members.

4. If within the periods specified in paragraph 3 of this Article the necessary
   appointments have not been made, either Contracting Party may, in the absence of an
   other agreement, invite the President of the International Court of Justice to make any
   necessary appointments. If the President is a national of either Contracting Party or is
   otherwise prevented from discharging the said function, the Vice-President shall be
   invited to make the necessary appointments. If the Vice-President 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 reach its decision by a majority of votes. Such decision shall
   be binding on both Contracting Parties. Each Contracting Party shall bear the cost of
   its own member of the tribunal and of its representation in the arbitral proceedings. The cost
   of the Chairman and the remaining costs shall be borne in equal parts by the Contracting
   Parties. The tribunal may, however, in its decision direct that a higher proportion of costs
   shall be borne by one of the two Contracting Parties, and this award shall be binding on
   both Contracting Parties. The tribunal shall determine its own procedure.

**ARTICLE 10**

**Subrogation**

1. If one Contracting Party or its designated Agency makes a payment under
   indemnity given in respect of an investment on the territory of the other Contracting Party
   the latter Contracting Party shall recognise the assignment to the former Contracting
   Party or its designated Agency by law or by legal transaction of all the rights and
   claims of the party indemnified and that the former Contracting Party or its designated
   Agency is entitled to exercise such rights and enforce such claims by virtue of subrogation to
   the same extent as the party indemnified.

2. The former Contracting Party or its designated Agency shall be entitled in the
   circumstances to the same treatment in respect of the rights and claims acquired by
   virtue of the assignment and any payments received in pursuance of those rights
   and claims as the party indemnified was entitled to receive by virtue of this Article in
   respect of the investment concerned and its related returns.
Any payments received by the former Contracting Party or its designated Agency in pursuance of the rights and claims acquired shall be freely available to the former Contracting Party for the purpose of meeting any expenditure incurred in the territory of the latter Contracting Party.

**ARTICLE 11**

**Territorial Extension**

At the time of signature of this Agreement, or at any time thereafter, the provisions of this Agreement may be extended to such territories for whose international relations the Government of the United Kingdom are responsible as may be agreed between the Contracting Parties in an Exchange of Notes.

**ARTICLE 12**

**Entry into Force**

This Agreement shall enter into force on signature.

**ARTICLE 13**

**Duration and Termination**

This Agreement shall remain in force for a period of ten years. Thereafter it shall continue in force until the expiration of twelve months from the date on which either Contracting Party shall have given written notice of termination to the other. Provided that in respect of investments made whilst the Agreement is in force, its provisions shall continue in effect with respect to such investments for a period of twenty years after the date of termination and without prejudice to the application thereafter of the rules of general international law.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Roseau this 23rd day of January 1987.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

**YOUNG**

For the Government of the Commonwealth of Dominica:

**MARY EUGENIA CHARLES**