

CYPRUS

Investment Guaranties

*Agreement effected by exchange of notes
Signed at Nicosia May 29, 1963;
Entered into force May 29, 1963.*

The American Ambassador to the Cypriot Minister of Foreign Affairs

No. 788

NICOSIA, May 29, 1963

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Cyprus which further the development of the economic resources and productive capacities of Cyprus and to guaranties of such investments by the Government of the United States of America. I also have the honor to confirm the following understandings reached as a result of those conversations:

1. The Government of the United States of America and the Government of Cyprus shall, upon the request of either Government, consult concerning investments in Cyprus which the Government of the United States of America may guaranty.
2. The Government of the United States of America shall not guaranty an investment in Cyprus unless the Government of Cyprus approves the activity to which the investment relates and recognizes that the Government of the United States of America may guaranty such investment.
3. If an investor transfers to the Government of the United States of America pursuant to an investment guaranty, (a) lawful currency, including credits thereof, of Cyprus, (b) any claims or rights which the investor has or may have arising from the business activities of the investor in Cyprus or from the events entitling the investor to payment under the investment guaranty, or (c) all or part of the interest of the investor in any property (real or personal, tangible or intangible) within Cyprus, the Government of Cyprus shall recognize such transfer as valid and effective.
4. Lawful currency of Cyprus, including credits thereof, which is acquired by the Government of the United States of America pursuant to a transfer of currency or from the sale of property trans-

ferred under an investment guaranty shall be accorded treatment by the Government of Cyprus with respect to exchange, repatriation or use thereof, not less favorable than that accorded to funds of nationals of the United States of America derived from activities similar to those in which the investor had been engaged, and such currency may in any event be used by the Government of the United States of America for any of its expenditures in Cyprus.

5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of Cyprus to which the Government of the United States of America may succeed as transferee or which may arise from the events causing payment under an investment guaranty shall, upon the request of either Government, be the subject of negotiations between the two Governments and shall be settled, insofar as possible, in such negotiations. If, within a period of three months after a request for negotiation, the two Governments are unable to settle any such dispute or claim by agreement, the dispute or claim shall be referred upon the initiative of either Government, to a sole arbitrator, selected by mutual agreement, for final and binding determination in light of the applicable principles of international law. If the two Governments are unable to select an arbitrator within a period of three months after indication by either Government of its desire to arbitrate, the President of the International Court of Justice shall, at the request of either Government, designate the arbitrator.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Cyprus, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

FRASER WILKINS

His Excellency
SPYROS KYPRIANOU,
*Minister of Foreign Affairs,
Nicosia.*

The Cypriot Minister of Foreign Affairs to the American Ambassador

REPUBLIC OF CYPRUS
MINISTRY OF FOREIGN AFFAIRS

NICOSIA, 29th May, 1963

No. B.19/2

EXCELLENCY,

I have the honour to acknowledge receipt of your Note No. 788 of 29th May, 1963, which reads as follows:

"I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Cyprus which further the development of the economic resources and productive capacities of Cyprus and to guaranties of such investments by the Government of the United States of America. I also have the honor to confirm the following understandings reached as a result of those conversations:

1. The Government of the United States of America and the Government of Cyprus shall, upon the request of either Government, consult concerning investments in Cyprus which the Government of the United States of America may guaranty.
2. The Government of the United States of America shall not guaranty an investment in Cyprus unless the Government of Cyprus approves the activity to which the investment relates and recognizes that the Government of the United States of America may guaranty such investment.
3. If an investor transfers to the Government of the United States of America pursuant to an investment guaranty, (a) lawful currency, including credits thereof, of Cyprus, (b) any claims or rights which the investor has or may have arising from the business activities of the investor in Cyprus or from the events entitling the investor to payment under the investment guaranty, or (c) all or part of the interest of the investor in any property (real or personal, tangible or intangible) within Cyprus, the Government of Cyprus shall recognize such transfer as valid and effective.
4. Lawful currency of Cyprus, including credits thereof, which is acquired by the Government of the United States of America pursuant to a transfer of currency or from the sale of property transferred under an investment guaranty shall be accorded treatment by the Government of Cyprus with respect to exchange, repatriation or use thereof, not less favorable than that accorded to funds of nationals of the United States of America derived from activities similar to those in which the investor had been engaged, and such currency may in any event be used by the Government of the United States of America for any of its expenditures in Cyprus.
5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of Cyprus to which the Government of the United States of America

may succeed as transferee or which may arise from the events causing payment under an investment guaranty shall, upon the request of either Government, be the subject of negotiations between the two Governments and shall be settled, insofar as possible, in such negotiations. If, within a period of three months after a request for negotiation, the two Governments are unable to settle any dispute or claim by agreement, the dispute or claim shall be referred upon the initiative of either Government, to a sole arbitrator, selected by mutual agreement, for final and binding determination in light of the applicable principles of international law. If the two Governments are unable to select an arbitrator within a period of three months after indication by either Government of its desire to arbitrate, the President of the International Court of Justice shall, at the request of either Government, designate the arbitrator.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Cyprus, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration."

The proposals set out in the above-mentioned Note are acceptable to the Government of the Republic of Cyprus and I have the honour therefore to confirm that your Note, together with this reply, shall constitute an agreement accordingly.

Accept, Excellency, the renewed assurances of my highest consideration.

SPYROS KYPRIANOU

(Spyros Kyprianou)

Minister of Foreign Affairs

His Excellency

Mr. FRASER WILKINS,

*Ambassador of the United States
of America in Cyprus.*