

Protocol
between the Czech Republic and the Oriental Republic of Uruguay
on the amendments to the Agreement between
the Czech Republic and the Oriental Republic of Uruguay for the
Promotion and Protection of
Investments,
signed on the 26th September, 1996 at Montevideo

The Czech Republic and the Oriental Republic of Uruguay (hereinafter referred to as "Contracting Parties") have agreed to amend the Agreement between the Czech Republic and the Oriental Republic of Uruguay for the Promotion and Protection of Investments (hereinafter referred to as "the Agreement") as follows:

ARTICLE 1

In paragraph 5 of Article 1 of the Agreement words "Deutschmark, French Mark" are deleted and substituted by the word "Euro".

ARTICLE 2

Paragraph 3 of Article 3 of the Agreement is deleted and replaced by new paragraphs 3 to 5:

"3. The National Treatment and Most-Favoured-Nation Treatment provisions of this Article shall not apply to advantages accorded by a Contracting Party pursuant to its obligations as a member of a customs, economic, or monetary union, a common market or a free trade area.

4. The Contracting Party understands the obligations of the other Contracting Party as a member of a customs, economic, or monetary union, a common market or a free trade area to include obligations arising out of an international agreement or reciprocity agreement of that customs, economic, or monetary union, common market or free trade area.

5. The provisions of this Agreement shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party, or to the investments or returns of such investors, the benefit of any treatment, preference or privilege which may be extended by the Contracting Party by virtue of any international agreement or arrangement relating wholly or mainly to taxation."

ARTICLE 3

After paragraph 3 of Article 6 of the Agreement new paragraphs 4 to 7 shall be added. They read as follows:

"4. Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting or maintaining measures that restrict transfers

a) where the Contracting Party experiences serious balance of payments difficulties, or the threat thereof, or

b) where the Contracting Party deems it necessary for serious political reasons and on grounds of urgency.

Such restrictions shall be equitable, neither arbitrary nor unjustifiably discriminatory, in good faith, of limited duration and may not go beyond what is necessary to remedy the balance of payments situation.

5. Nothing in this Agreement shall prejudice measures of general application, which are neither arbitrary nor unjustifiably discriminatory, taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies.

6. The references in this Agreement to measures of a Contracting Party shall include measures applicable in accordance with EU law in the territory of that Contracting Party pursuant to its membership in the European Union. The reference to "serious balance-of-payments difficulties, or the threat thereof," shall also include serious balance-of-payments difficulties, or the threat thereof, in the economic or monetary union of which a Contracting Party is a member.

7. The Contracting Parties agree that the issue of whether a measure of a Contracting Party is consistent with this Agreement is a matter to be resolved exclusively under the dispute settlement procedures of this Agreement."

ARTICLE 4

The new Article 11 after Article 10 of the Agreement is inserted, which reads as follows:

"Essential Security Interests

1. Nothing in this Agreement shall be construed to prevent any Contracting Party from taking any actions that it considers necessary for the protection of its essential security interests,

a) relating to criminal or penal offences;

- b) relating to traffic in arms, ammunition and implements of war and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;
- c) taken in time of war or other emergency in international relations, or
- d) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices or
- e) in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

2. A Contracting Party's essential security interests may include interests deriving from its membership in a customs, economic, or monetary union, a common market or a free trade area."

The subsequent Articles in the Agreement are re- numbered.

ARTICLE 5

The Protocol shall enter into force on the ninetieth day after the later notification by which the Contracting Parties communicate each other that their internal legal procedures for its entry into force have been completed. The Protocol shall remain in force as long as the Agreement.

Done in *Prague* on *15th May*2009 in two originals in the Czech, Spanish and English languages, all texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

FOR
THE CZECH REPUBLIC

FOR
THE ORIENTAL REPUBLIC OF
URUGUAY