For greater certainty, the dispute may be submitted to the competent court referred to in sub-paragraph (a) before the expiration of that six-month period.

3. A dispute primarily referred to the competent courts of the host Contracting party, as long as it is pending, cannot be referred to arbitration without agreement between the parties to the dispute, and after that a final judgment is rendered, it cannot be referred to arbitration.

4. The ad hoc arbitral tribunal specified under sub-paragraph 2(b) of this Article shall be established as follows:

(a) Each party to the dispute shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint by mutual agreement a third arbitrator, who must be a national of the third country, and who shall be designated as Chairperson of the arbitral tribunal. All the arbitrators must be appointed within three months from the receipt of the request for arbitration referred to in paragraph 2.

(b) If the necessary appointments of arbitrators have not been made in the period specified in the sub-paragraph (a) above, either party, in the absence of any other agreement, may invite the Secretary General of the Permanent Court of Arbitration at the Hague to make the necessary appointments.

5. The arbitral award shall be final and binding upon the parties to the dispute. The arbitral award shall be issued in accordance with this Agreement and the applicable principles of international law. The arbitral tribunal shall make its award by a majority of votes.

6. Each Contracting Party hereby consents to the submission of a claim to arbitration under this Article.

Article 19
Settlement of Disputes
between the Contracting Parties

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this Agreement shall as far as possible, in the first place, be settled amicably by consultation. In case of disagreement, a Contracting Party may, while sending a notice to the other Contracting Party, refer the case to an arbitral tribunal of three members consisting of two arbitrators appointed by the Contracting Parties and a Chairperson.

2. In case the dispute is referred to the arbitral tribunal, each Contracting Party shall appoint one arbitrator within sixty days from the receipt of the notification and the arbitrators appointed by the Contracting Parties shall appoint the Chairperson within sixty days from the date of the latter appointment. If either Contracting Party does not appoint its own arbitrator or the appointed arbitrators do not agree on the appointment of the Chairperson within the said periods, each Contracting Party may request the Secretary General of the Permanent Court of Arbitration to appoint the arbitrator of the failing Contracting Party or the Chairperson, as the case may be. However the Chairperson shall be a national of a State having diplomatic relations with both Contracting Parties at the time of the appointment.

3. In case the Chairperson is to be appointed by the Secretary General of the Permanent Court of Arbitration, if the Secretary General of the Permanent Court of Arbitration is prevented from carrying out the said function or if he or she is a national of either Contracting Party, the appointment shall be made by the Deputy Secretary General of the Permanent Court of Arbitration and if the Deputy Secretary General is also prevented from carrying out the said function or if he or she is a national of either Contracting Party, the appointment shall be made by the senior member of the said court who is not a national of either Contracting Party.

4. Subject to other provisions agreed by the Contracting Parties, the arbitral tribunal shall determine its procedure and the place of arbitration.

5. The arbitral award shall be final and binding upon the Contracting Parties. The arbitral award shall be issued in accordance with this Agreement and the applicable principles of international law. The arbitral tribunal shall make its award by a majority of votes.

6. Each Contracting Party shall bear the cost of the arbitrator of its choice and its representation in the arbitral proceedings. The cost of the Chairperson of the arbitral tribunal in discharging his or her duties and the remaining costs of the arbitral tribunal shall be borne equally by the Contracting Parties.