CHAPTER II
DISPUTE SETTLEMENT

Article 22
Settlement of Disputes between the Contracting Parties

1. Each Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation, including through the meeting of the Joint Committee established pursuant to Article 26, regarding, such representations as the other Contracting Party may make with respect to any matter affecting the interpretation and application of this Agreement.

2. Any dispute between the Contracting Parties as to the interpretation and application of this Agreement, not satisfactorily adjusted by diplomacy within one hundred and eighty calendar days after the request for consultation referred to in paragraph 1, shall be referred for decision to an arbitration board. Such arbitration board shall be composed of three arbitrators, with each Contracting Party appointing one arbitrator within a period of sixty days from the date of receipt by either Contracting Party of a note requesting arbitration of the dispute, and the third arbitrator to be agreed upon as President by the two arbitrators so chosen within a further period of sixty days, provided that the third arbitrator shall not be a national of either Contracting Party nor have his or her usual place of residence in either Contracting Party, nor be employed by either Contracting Party.

3. If the third arbitrator is not agreed upon between the arbitrators appointed by each Contracting Party within the further period of sixty days referred to in paragraph 2, the Contracting Parties shall request the Secretary-General of the Permanent Court of Arbitration at The Hague to appoint the third arbitrator who shall not be a national of either Contracting Party. If the Secretary-General is a national of either Contracting Party or if he or she is otherwise prevented from discharging the said function, the Deputy Secretary-General of the Court shall be invited to make the necessary appointments. If the Deputy Secretary-General is a national of either Contracting Party or if he or she, too, is prevented from discharging the said function, a staff member of the International Bureau of the Court whom the Secretary-General and the Deputy Secretary-General agree to designate and who is not a national of either Contracting Party shall be invited to make the necessary appointments.

4. If the necessary appointments referred to in paragraphs 2 and 3 have not been made, either Contracting Party may, unless otherwise agreed, request the Secretary-General of the Permanent Court of Arbitration at The Hague to make such appointments.

5. In appointing the arbitrators, the Contracting Parties consider that arbitrators of an arbitration board should:

(a) have expertise in investment and experience in law or in international trade;

(b) be chosen strictly on the basis of objectivity, reliability and sound judgment; and

(c) not receive instructions from the Government of either Contracting Party.

6. The arbitration board shall determine its own procedural rules, after consultation with the Contracting Parties. The arbitration board shall decide the dispute in accordance with this Agreement and the rules and principles of international law applicable to the subject matter. The arbitration board shall within a reasonable period of time reach its decision by a majority of votes. Such decision shall be final and binding.

7. Without prejudice to the provisions of paragraph 6, each Contracting Party may request the arbitration board, within fifteen days after the notification of its decision, a clarification or interpretation of the decision. The arbitration board shall decide on such request within fifteen days after the request is made.

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