

2. Subject to its laws and regulations, each Contracting Party shall admit investments of investors of the other Contracting Party.

3. This Agreement shall not preclude either Contracting Party from prescribing laws and regulations in connection with the establishment of a new business enterprise or the acquisition or sale of a business enterprise in its territory, provided that such laws and regulations are applied equally to all foreign investors. Decisions taken in conformity with such laws and regulations shall not be subject to the provisions of Articles X (Settlement of Disputes between an Investor and the Host Contracting Party) or XII (Disputes between the Contracting Parties) of this Agreement.

4. The Contracting Parties recognize that it is inappropriate to encourage investment by relaxing domestic health, safety or environmental measures. Accordingly, a Contracting Party should not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such measures as an encouragement for the establishment, acquisition, expansion or retention in its territory of an investment of an investor. If a Contracting Party considers that the other Contracting Party has offered such an encouragement, it may request consultations with the other Contracting Party and the two Contracting Parties shall consult with a view to avoiding any such encouragement.

### ARTICLE III

#### Protection of Investment<sup>1</sup>

1. (a) Investments or returns of investors of either Contracting Party shall at all times be accorded treatment in accordance with the customary international law minimum standard of treatment of aliens, including fair and equitable treatment and full protection and security.
- (b) The concepts of “fair and equitable treatment” and “full protection and security” in subparagraph (a) do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens.

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<sup>1</sup> For greater certainty, the treatment accorded by a Contracting Party under paragraphs 2, 3 and 4 of this Article means, with respect to a sub-national government, treatment accorded, in like circumstances, by that sub-national government to investors, and to investments of investors, of a third state, or of a Contracting Party, as the case may be.