

PUBLIC DEBT

1. No claim that a restructuring of debt of a Party breaches an obligation under Chapter 2 (Investment Protection) may be submitted or, if already submitted, be pursued under Section B (Resolution of Disputes between Investors and Parties) of Chapter 3 (Disputes Settlement) if the restructuring is a negotiated restructuring at the time of submission or becomes a negotiated restructuring after such submission, except for a claim that the restructuring breaches Article 2.3 (National Treatment) or 2.4 (Most-Favoured-Nation Treatment).

2. Notwithstanding Article 3.33 (Submission of a Claim) of Section B (Resolution of Disputes between Investors and Parties) of Chapter 3 (Disputes Settlement), and subject to paragraph 1 of this Annex, an investor shall not submit a claim under Section B (Resolution of Disputes between Investors and Parties) of Chapter 3 (Disputes Settlement) that a restructuring of debt of a Party breaches Article 2.3 (National Treatment) or 2.4 (Most-Favoured-Nation Treatment)¹ or any obligation under Chapter 2 (Investment Protection), unless 270 days have elapsed from the date of submission by the claimant of the written request for consultations pursuant to Article 3.30 (Consultations).

¹ For greater certainty, a breach of the Article 2.3 (National Treatment) or Article 2.4 (Most-Favoured-Nation Treatment) does not occur merely by virtue of a different treatment provided by a Party to certain categories of investors or investments on grounds of a different macroeconomic impact, for instance to avoid systemic risks or spillover effects, or on grounds of eligibility for debt restructuring.

3. For the purposes of this Annex:
- (a) "negotiated restructuring" means the restructuring or rescheduling of debt of a Party that has been effected through:
 - (i) a modification or amendment of debt instruments, as provided for under their terms, including their governing law; or
 - (ii) a debt exchange or other similar process in which the holders of no less than 66 percent of the aggregate principal amount of the outstanding debt subject to restructuring, excluding debt held by that Party or by entities owned or controlled by it, have consented to such debt exchange or other process;
- and
- (b) "governing law" of a debt instrument means a country's legal and regulatory framework applicable to that debt instrument.
4. For greater certainty, "debt of a Party" includes, in the case of EU Party, debt of a government of a Member State of the Union, or of a government in a Member State of the Union, at central, regional or local level.
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