

## **AGREEMENT dated September 29, 1993**

# **BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF ROMANIA ON THE PROMOTION AND MUTUAL PROTECTION OF INVESTMENTS**

The Russian Federation and the Government of Romania, hereinafter referred to as "Contracting Parties",

Referring to the creation of favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Considering that the promotion and reciprocal protection of such investments will contribute to the development of mutually beneficial trade-economic and scientific and technical cooperation,

Have agreed as follows:

### **Article 1. Definitions**

For the purposes of this Agreement:

1. The term "investor" means any natural person who is a national of one of the Contracting Parties in accordance with its legislation, and any legal entity established and existing under the laws of the Contracting Party, which has its headquarters on the territory of the Contracting Party concerned, provided that such persons or entities are entitled under the law of its Contracting Party to make investments in the territory of the other Contracting Party.

2. The term "investments" covers all kinds of assets that investors of one Contracting Party investing in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party, and in particular, but not exclusively:

- a) property (buildings, structures, equipment and other tangible assets) and related property rights, including the right to bail;
- b) cash and shares, stocks and other forms of participation;
- c) claims to money that is invested to create economic value, or services having an economic value;
- d) copyrights, rights to inventions, industrial designs, trademarks and service marks, trade names, as well as technology and know-how;
- e) rights to engage in economic activities, conferred by law or contract, including, in particular, the right to exploration, development and exploitation of natural resources.

No change in the form in which the property values are invested does not affect their character as investments.

3. The term "returns" means amounts yielded by an investment, in particular, but not exclusively, as a profit (share of profit), dividends, interest, royalties, fees and any other fees.

4. The term "territory" means the territory of the Russian Federation, respectively, and Romania, as well as the exclusive economic zone and continental shelf over which the Contracting Parties shall, in accordance with international law, sovereign rights and jurisdiction for the purpose of exploration, exploitation and conservation of natural resources.

### **Article 2. Promotion and Mutual Protection of Investments**

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its territory and in accordance with its law admit such investments.
2. Each Contracting Party shall ensure, in accordance with its legislation full and unconditional legal protection to investments of investors of the other Contracting Party.
3. Each Contracting Party shall ensure in its territory investments of investors of the other Contracting Party fair and equitable treatment, excludes the application of discriminatory measures that would impede the management, use and disposal of investments.

### **Article 3. Investment Regime**

1. Each Contracting Party shall submit in its territory investments, returns of investors of the other Contracting Party treatment no less favorable than that accorded to its own investors or investors of any third state.
2. Each Contracting Party reserves the right to determine the sectors and spheres of activity, which exclude or restrict the activities of foreign investors.
3. The most-favored-nation treatment granted in accordance with paragraph 1 of this Article shall not apply to the advantages which the Contracting Party is providing or will provide in the future:
  - a) in connection with participation in a free trade area, customs or economic union or in connection with the agreement on regional economic cooperation, which is involved or will be involved either Contracting Party;
  - b) on the basis of agreements to avoid double taxation or other agreements on taxation.

### **Article 4. Damages**

Contracting Party in whose territory the damage was caused to investments of investors of the other Contracting Party owing to war, armed conflict, civil unrest or state of emergency, thereby providing investors with regard to the recovery of property, compensation and other settlement, treatment no less favorable than that it accords to its own investors or investors of any third state.

### **Article 5. Expropriation**

Investments of investors of either Contracting Party shall not be subjected in the territory of the other Contracting Party of expropriation, nationalization or other measures having similar effects (hereinafter referred to as "expropriation"), except in cases where such measures are taken in the public interest, in the manner prescribed by law, does not They are discriminatory and accompanied by payment of prompt, adequate and effective compensation. Compensation shall correspond to the market value of the expropriated investment immediately before the date when the official was aware of the expropriation. Until the payment of the amount of compensation will bear interest according to the interest rate of the Contracting Party in whose territory the investments were made.

### **Article 6. Transfer of Payments In Connection with Investments**

1. Each Contracting Party shall guarantee to investors of the other Contracting Party after the payment of the relevant taxes and duties free transfer abroad of payments in connection with the investments, and in particular:
  - a) income as defined in paragraph 3 of Article 1 of this Agreement;
  - b) the sums intended for the repayment of loans related to investments;
  - c) the amounts received by the investor in connection with the partial or total liquidation or sale of investments;
  - g) compensation in accordance with Articles 4 and 5 of this Agreement.
2. Transfers of payments under this Article, will be made in a freely convertible currency at the exchange rate applicable on the date of transfer in accordance with the exchange control regulations of the Contracting Party in whose territory the investment has been carried out.

### **Article 7. Subrogation**

If one Contracting Party or its authorized agency to make payments in favor of the investor of that Contracting Party under the guarantee against non-commercial risks given in respect of investments in the territory of the other Contracting Party, the latter Contracting Party shall recognize the transition to the first Contracting Party or its authorized agency in accordance with the legislation of all the rights of the investor to whom compensation has been paid in full.

## **Article 8. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party**

1. Disputes between a Contracting Party and an investor of the other Contracting Parties arising from the implementation of investment, will be settled through negotiations.

2. If such disputes can not be settled through negotiation within six months from the investor an appropriate written application the date one Contracting Party to another Contracting Party, they can be selectively transferred to the investor:

a) the competent court or tribunal of the Contracting Party in whose territory the investments were made;

b) the International Centre for Settlement of Investment Disputes ("Centre"), if the Russian Federation will enter into force, the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, 18 March 1965 ("the Convention"), or by the use of additional centers procedure if one of the Contracting Parties is not a party to the Convention;

c) an ad hoc arbitration court in accordance with the Arbitration Rules of the International Trade Law of the United Nations Commission (UNCITRAL).

3. An arbitral or judicial decision will be for the parties to the dispute shall be final and binding.

## **Article 9. Consultations**

The Contracting Parties on the proposal of any of them may be consulted on matters relating to the interpretation or application of this Agreement.

## **Article 10. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be resolved through negotiations. If so the dispute will not be settled within six months, at the request of either Contracting Party, he shall be referred to the arbitral tribunal.

2. The arbitral tribunal shall be constituted for each individual case. The Contracting Parties shall appoint one member of the court. The appointed members of the Court shall elect a national of a third State, who shall be appointed Chairman of the court. The members of the Court shall be appointed within two months from the date when one of the Contracting Parties declares its intention to submit the dispute to an arbitral tribunal. President of the Court shall be appointed within three months from the date of appointment of its members.

3. If specified in paragraph 2 of this Article the necessary appointments terms will not be made, either Contracting Party may, in the absence of one agreement to address to the President of the International Court of Justice to make the necessary appointment. If the President is a citizen of one of the Contracting Parties or it can not, for whatever reasons, to carry out the said function, then make the necessary appointments will be asked Vice-president of the International Court of Justice. If the Vice-President is a national of either Contracting Party or if he also can not be said function, to make the necessary appointments will be invited to the next-highest member of the International Court of Justice who is not a national of either Contracting Party.

4. The arbitral tribunal shall decide by a majority vote, which shall be binding. Each Contracting Party shall bear the expenses related to the activities of its designated member of the court. Costs associated with the chairman of the court activity, and other court expenses The Contracting Parties shall bear in equal shares. For all other matters the arbitral tribunal shall determine its own procedure.

## **Article 11. The Application of other Rules**

If the provisions of other international agreements, which are, or will be involved either Contracting Party or rules of law of either Contracting Party will establish a more favorable regime than that provided for by this Agreement, will apply more favorable treatment.

## **Article 12. Entry Into Force, Duration and Termination**

1. This Agreement shall enter into force on the thirtieth day after the date of the last written notification about the fulfillment by the Contracting Parties of the necessary domestic procedures.

2. This Agreement is concluded for a period of fifteen years. It shall be automatically renewed for successive ten-year periods, unless either Contracting Party notifies in writing the other Contracting Party at least twelve months prior to the expiry of the period of its intention to terminate this Agreement.

3. In respect of investments made prior to the date of termination of this Agreement, its provisions shall remain in force for a period of fifteen years from that date.

Done in Moscow on 29 September 1993 in two originals, each in the Russian and Romanian languages, both texts being equally authentic.