

# **AGREEMENT between the Government of Ukraine and the Government of the Republic of Uzbekistan on the promotion and mutual protection of investments**

The Government of Ukraine and the Government of the Republic of Uzbekistan, hereinafter referred to as the Contracting Parties, based on the desire to expand and deepen economic cooperation on a long term basis, in particular, to create favorable conditions for investment by investors of one Contracting Party in the territory of the other Contracting Party,

Conscious of the need for ensuring implementation and mutual protection of investments by investors of both Contracting Parties, the economic prosperity of both countries,

Recognizing that the promotion and implementation of the mutual protection of investments will stimulate business initiatives and as a result, will make an important contribution to the development of economic relations between the two countries,

Agreed as follows:

## **Article 1. Definition**

For the purposes of this Agreement:

1. The term "investment" means all kinds of financial, materiel and other property and intellectual values, invested by investors of one Contracting Party in various facilities in the territory of the other Contracting Party for profit or achieving social effect, including but not only:

a) movable and immovable property and any other property rights such as the right to use property as collateral, deductions for debts;

b) shares, deposits, bonds and debentures of companies or organizations, and these organizations share of property and businesses;

c) claims to money and the claim to fulfill contractual obligations with economic value;

d) freely convertible currency and the currency in force in the country of investment;

d) intellectual property rights, industrial design, including copyright, to obtain a patent, the right to a trademark, service mark, trade name, invention, technology "know-how" and trade secrets;

e) concessions allowed by the legislation of each Contracting Party or bilateral agreements between Ukraine and the Republic of Uzbekistan, including exploration, development, extraction or exploitation of natural resources.

2. The term "investment" means:

a) investments in Ukraine approved by the Government of Ukraine or its authorized bodies, carried out in accordance with the current legislation of Ukraine;

b) investments in the Republic of Uzbekistan, approved by the Government of the Republic of Uzbekistan or authorized body that carried out in accordance with the current legislation of the Republic of Uzbekistan.

Any change in the form of investment does not affect its classification as an "investment" provided that the change is not contrary to the approved initial form.

3. The term "returns" means money and property values derived from investments and includes in particular, but not exclusively, profits, interest, license and commission.

4. The term "investor" means:

a) Regarding Ukraine:

Any natural person who is a citizen of Ukraine, any legal entity established under the Constitution and current legislation and entitled to invest in the area.

b) in respect of the Republic of Uzbekistan:

Any natural person who is a citizen and any legal entity established in accordance with applicable law and entitled to invest in the area.

5. The term "territory" means the national territory of each Contracting Party, as well as economic zone and continental shelf over which the Contracting Parties shall in accordance with international law, sovereign rights and jurisdiction in order to preserve natural resources.

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

1. Each Contracting Party under applicable in its territory legislation encourages and creates favorable conditions for investors of the other Contracting Party to investments in its territory and gives them the right to dispose of these investments.

2. Investments of investors of either Contracting Party shall be guaranteed fair status, they are safe and protected in the territory of the other Contracting Party.

## **Article 3. Most Favored Nation**

1. Investments that are made by investors of either Contracting Party in the territory of the other Contracting Party shall be accorded treatment no less favorable than for investments by investors of any third country.

2. Investors of one Contracting Party have put their investments in the territory of the other Contracting Party and bearing losses due to war or other armed conflict, revolution, a state of emergency, rebellion, riot in the territory of the Contracting Party or other similar actions should be provided that Contracting Party provided for damages, and these conditions must be no less favorable than those which gives investors the Party in a third country.

3. The conditions stipulated in p. 1 of this Article shall not apply to advantages granted by one Contracting Party to investors of third countries in and out:

With signed agreements or agreements concluded in the future on economic zones, economic or customs unions, free trade zones and other forms of regional cooperation;

With agreement on avoidance of double taxation or other international agreement, in whole or in part associated with taxation, as well as in the framework of the current legislation on the taxation powers of each of the Contracting Parties.

4. For investors of either Contracting Party whose investments have suffered losses due to war or other armed conflict, the announcement of emergency or public disorder, the other Contracting Party shall ensure treatment no less favorable than the one that the other Contracting Party shall in respect of investors yakoyi- any third country to restore the property, compensation or other settlement-related wealth.

## **Article 4. Compensation Due to Compulsory Measures**

1. Neither Contracting Party in its territory to take in respect of investments made by an investor in the territory of the other Contracting Party coercive measures such as nationalization, expropriation or similar in its effects, except when the public interest demands. This follows the procedure set by the current legislation in this area, and paid proper compensation.

2. These measures should not be discriminatory.

3. Compensation is calculated based on the actual value of the investment immediately at the time of publication of the decision or the decision to take the measures referred to in paragraph 1 of this Article and shall be determined in accordance with the principles of objective assessment adopted in international practice. Compensation paid in freely convertible currency at the rate defined as the official ruling at the date of determining the value. Compensation transferable without undue delay during the term normally required to perform the formalities associated with its transfer. Compensation should include interest, calculated from the date of determining the real value of investments until the day of

the payment under the commercial interest rate determined by the central bank Contracting Party.

4. If a Contracting Party expropriates the company means that the firm is seen as the Contracting Parties in accordance with Para. 4 of Article 1 of the Agreement and in which investors of the other Contracting Party has action, it should apply conditions n. 1 of this Article to provide compensation to this investor.

5. The investor has the right to verify the legality of the expropriation of the competent authorities of the Contracting Party which made the expropriation.

6. The investor is entitled to the amount and conditions for payment of compensation after review by the competent authorities of the Contracting Party which made the expropriation or international arbitration in accordance with Article 7 of this Agreement.

## **Article 5. Transferring of Payments, Revenues and Moving of Movable Property In Connection with Investments**

1. Each Contracting Party in accordance with its laws, regulations and administrative practices ensures the smooth transfer of hard currency payments and revenues in connection with an investment on terms no less favorable than investors of any third country, including, but not exclusively:

a) net income, dividends, fees for technical assistance and services, interest income and other cash income received as a result of the investment;

b) funds belonging to investors as a result of total or partial liquidation of investments;

c) cash paid for repayment of loans recognized as investments;

d) wages and other income investor's country to work in the host country in connection with an investment;

e) moving personal property in connection with an investment.

2. exchange rate to cover payments referred to in paragraph 1 of this Article shall be adopted exchange rate, established in accordance with the laws of each Contracting Party on the date of exchange.

3. Exchange rates are based on quotations of the National Bank of Ukraine and the Central Bank of the Republic of Uzbekistan. Banking commission payments should be fair for both parties.

4. When one of the Contracting Parties or body authorized by it, makes payments to its investor under a guarantee investments in the territory of the other Contracting Party, another Contracting Party shall, without prejudice to the rights of the investor of the first Contracting Party under Article 7 of this Agreement and the rights of the first Contracting Party in accordance with Article 8 of the Agreement, recognize the transfer of the first Contracting Party of all the rights and claims of the investor made in accordance with applicable law. The latter Party also recognizes the right to exercise the same extent as its predecessor on the right of ownership. With regard to transfer payments to the Contracting Party concerned in such transmission rights, Article 4 and Article 5 of the Agreement shall apply mutatis mutandis.

## **Article 6. Application of Treaties**

1. If the legislation of either Contracting Party or international obligations existing at the moment, or arising in the future have a rule that allows investments by investors of the other Contracting Party to a treatment more favorable than is provided in this Agreement, such rule shall apply to the extent where it provides more favorable conditions.

2. Each Contracting Party shall observe any contractual obligation it has assumed regarding investors of the other Contracting Party.

## **Article 7. Disputes between the Contracting Party and an Investor**

1. If a dispute arises between one of the Contracting Parties and any investor of the other Contracting Party in respect of:

a) liability arising in respect of the Contracting Party of the investor of the other Contracting Party on the issue of investment of the investor;

b) breach of any of the rights specified in this Agreement or those that come out of it in investments of investors;

Disputes are resolved, if possible, through mutual consultations and negotiations.

2. If within six months from the date of presentation of the written request of a party to the dispute is reached mutual agreement, the dispute at the request of a Party may be transferred to solve:

a) in the courts of the Contracting Parties in accordance with their competence;

b) International Centre for Settlement of Investment Disputes ("the Centre"), taking into account the relevant provisions signed in Washington on 18 March 1965 of the Convention on the Settlement of Disputes between States and Nationals of other States in investments if the state of both Contracting Parties are parties to this Convention;

c) to international arbitration "ad hoc", according to the current Arbitration Rules of the United Nations Commission on International Trade Law.

3. Notwithstanding the provisions of paragraph 2 of this Article, the transfer of the dispute to an arbitral tribunal, the investor has the right to choose the conciliation procedure.

4. The Contracting Parties recognize the arbitral award and ensure its implementation under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958.

## **Article 8. Disputes between the Contracting Parties**

1. Any disputes arising between the Contracting Parties concerning the interpretation and application of this Agreement should if possible be resolved through consultations and negotiations through diplomatic channels.

2. In case of failure to resolve the dispute between the Parties within 6 months after the start, at the request of either Contracting Party it must pass for the decision to arbitration.

3. Such an arbitral tribunal established separately for each case as follows. Within two months after receiving the request for arbitration, each Contracting Party shall appoint one arbitrator. The two arbitrators then choose a third state which maintains diplomatic relations with both Contracting Parties who, with the consent of the two Contracting Parties shall be appointed Chairman of the arbitral tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members of the tribunal.

4. If referred to in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, request the President of the International Court of Justice to make the appointments. If the President is a citizen of either Contracting Party or if he can not for any reason perform the said function, then make the appointments shall be offered the Vice President of the International Court. If the Vice-Chairman is a national of either Contracting Party or if he too can not perform these functions, then make the appointments proposed following him to his seniority member of the International Court of Justice who is not a citizen of any of the Contracting Parties can, without discharging the said feature.

5. The arbitral tribunal determines the issue of rules of procedure and decide by majority vote. The decision of the arbitral tribunal is binding both Contracting Parties. Contracting Parties shall bear the costs of the arbitrators and the head in equal shares. The arbitral tribunal may, however, in its judgment to determine which one of the Contracting Parties will bear a larger share of the costs and the decision is binding on both Parties.

## **Article 9. Subrogation**

If a Contracting Party or its competent authority on the basis of guarantees issued in respect of investments of any of its investor pays compensation to this investor, then the Party or the competent authority shall order subrogation respective rights of the former investor based on this Agreement.

## **Article 10. Application Agreement**

1. This Agreement applies to all investments made in accordance with the law of the State in which investments are made.

2. Subject to the provisions of paragraph 1 of this Article, this Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party before and after the entry into force of this Agreement.

3. This Agreement may be refined and supplemented by agreement signatories.

## **Article 11. Entry Into Force, Duration and Termination**

1. This Agreement shall enter into force after the expiration of thirty days after the Contracting Parties have notified each other through diplomatic channels about the implementation of relevant procedures necessary for the entry into force of this Agreement.

2. This Agreement is concluded for a 10-year term and shall remain in force after this period, unless it is terminated to the procedure set out in paragraph 3 of this Article.

3. For the termination of this Agreement, any Contracting Party not later than one (1) year prior to the end of the first 10-year period or at any time after the expiry of that period send a written notice to the other Contracting Party of denunciation of the Agreement.

4. In the case of investments made prior to the termination of this Agreement, the action is stored articles 1 - 10 of the Agreement within 10 (ten) years after termination.

Done at. Tashkent on 20 February 1993 in duplicate in Russian, which are equally authoritative.

For the Government of Ukraine

(signature)

For the Government of Uzbekistan

(signature)