AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Korea and the Government of the Republic of Uzbekistan (hereinafter referred to as "the Contracting Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both States,

Intending to create favourable conditions for investments by investors of one State in the territory of the other State, and

Recognizing that the encouragement and protection of investments on the basis of the present Agreement stimulates business initiatives in this field,

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement:

(1) The term "investment" means every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party and shall include, in particular, though not exclusively:

(a) Movable and immovable property as well as any related property rights such as mortgages, liens or pledges;

(b) Shares, stock, bonds and debentures or any other form of participation in a company, business enterprise or joint venture;

(c) Claims to money or to any performance having an economic value associated with an investment;

(d) Intellectual property rights, including copyright, trademark, patents, industrial designs, technical processes, know-how, trade secrets and trade names, and good will;

(e) Any right conferred by law or under contract, including the right to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their classification as investment.

(2) The term "investor" means with regard to either Contracting Party:

(a) Natural person who is a national of that Contracting Party in accordance with its laws;

(b) Any corporations, companies, firms, enterprises, organizations and associations incorporated or constituted under the law in force in the territory of that Contracting Party; provided that natural person, corporation, company, firm, enterprise, organization or association is competent, in accordance with the laws of that Contracting Party, to make investments in the territory of the other Contracting Party.

(3) The term "returns" means the amount yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties or fees.

Article 2. Promotion and Protection of Investment

(1) Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investment in accordance with its legislation.

(2) Investment of investors of either Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

(3) Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its territory of investors of the other Contracting Party.

(4) Either Contracting Party shall observe any obligation it may have entered into consistently with this Agreement with regard to investments in its territory by investors of the other Contracting Party.

Article 3. Treatment of Investments

(1) Neither Contracting Party shall in its territory subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of its own investors or investors of any third State.

(2) Neither Contracting Party shall in its territory subject investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords to its own investors or investors of any third State.

Article 4. Compensation for Damages or Losses

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to any armed conflict, a state of national emergency or civil disturbances in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own investors or investors of any third State. Resulting payments shall be adequate, be made without delay and be freely transferable.

Article 5. Expropriation

(1) Investments of investors of either Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose. The expropriation shall be carried out under due process of law, on a non-discriminatory basis and shall be accompanied by prompt, adequate and effective compensation. Such compensation shall amount to the real value of the investment expropriated immediately before the expropriation or before impending expropriation became public knowledge, whichever is the earlier, shall be made within two months of the date of expropriation, after which interest at a normal commercial rate shall accrue until the date of payment, and shall be effectively realizable and be freely transferable.

(2) The investor affected shall have a right, under the law of the Contracting Party making the expropriation, to prompt review by a judicial or other independent authority of that Contracting Party of his or its case and other valuation of his or its investment in accordance with the principles set out in paragraph(1) of this Article.

Article 6. Repatriation of Investments and Returns

(1) Each Contracting Party shall guarantee to the investors of the other Contracting Party the transfer out of its territory without delay in any freely convertible currency of:

(a) The returns accruing from an investment;

(b) The proceeds accruing from the sale or the total or partial liquidation of an investment made by an investor of the other Contracting Party;

(c) Funds in repayment of borrowings related to an investment;

(d) The earnings of nationals of the other Contracting Party subject to the laws and regulations of the Contracting Party where an investment has been made;

(e) Initial capital and complementary amounts necessary to increase an investment.

(2) For the purpose of this Agreement, exchange rate shall be the rate applicable on the date of transfer pursuant to the exchange regulations in force of the Contracting Party in whose territory the investment was made.

Article 7. Exceptions

The provisions of Articles 3 and 4 of this Agreement shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:

(a) Any existing or future customs union or free trade area or common external tariff area or monetary union or similar international agreement or other forms of regional cooperation, to which either of the Contracting Parties is or may become a party; or

(b) Any international agreement or arrangement relating wholly or mainly to taxation.

Article 8. Subrogation

(1) If a Contracting Party or its designated agency makes a payment to the benefit of the investor of the Contracting Party under an indemnity given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize the assignment to the former Contracting Party or its designated agency by law or legal transaction, of all the rights and claims of the investor to whom compensation was paid in full.

(2) A Contracting Party or its designated agency shall be entitled to the same extent to exercise any rights and claims which the investor would have been entitled to exercise.

Article 9. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

(1) Any dispute arising between one Contracting Party and an investor of the other Contracting Party shall be settled in an amicable way.

(2) If any such dispute should arise and cannot be settled within six months between the parties to the dispute, it shall be submitted, at the request of either party to the dispute, to arbitration. The arbitration shall be conducted in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as adopted in Resolution 31/98 of the United Nations General Assembly on 15 December 1976, unless the parties to the dispute otherwise agree.

(3) Nothing in this Article impairs the right of any party to the dispute to agree at any time to settle the dispute between them by any amicable means of their own choice.

Article 10. Settlement of Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement should, if possible, be settled through the diplomatic channel.

(2) If a dispute between the Contracting Parties cannot thus be settled within six (6) months, it shall upon the request of either Contracting Party be submitted to an Arbitral Tribunal.

(3) The Arbitral Tribunal shall be constituted for each individual case in the following way. Within two(2) months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. The appointed members shall then select a national of a third State who on approval of the two Contracting Parties shall be appointed Chairman of the Tribunal (hereinafter referred to as the "Chairman"). The Chairman shall be appointed within two (2) months from the date of appointment of the other two members.

(4) If within the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of other agreements, invite the President of the International Court of Justice to make such appointments. If the President is a citizen of either Contracting Party or if he otherwise is prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a citizen of either Contracting Party or if he too is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a citizen of either Contracting Party shall be invited to make the necessary appointments.

(5) The Arbitral Tribunal shall reach its decision by a majority of votes. Such decision shall be binding upon both Contracting Parties. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties. The Arbitral Tribunal

shall determine its own procedure.

Article 11. Application of Agreement

This Agreement shall apply to all investments, whether made before or after its entry into force.

Article 12. Application of other Rules

(1) Where a matter is governed simultaneously both by this Agreement and by another international agreement to which both Contracting Parties are parties, nothing in this Agreement shall prevent an investor of one Contracting Party who owns investments in the territory of the other Contracting Party from taking advantage of whichever rules are the more favourable to his case.

(2) If the treatment to be accorded by one Contracting Party to investors of the other Contracting Party in accordance with its laws and regulations is more favourable than that accorded by this Agreement, the more favourable treatment shall be accorded.

Article 13. Consultations

Either Contracting Party may propose the other Contracting Party to consult on any matter concerning the interpretation or application of the Agreement. The other Contracting Party shall accord sympathetic consideration to and shall afford adequate opportunity for such consultation.

Article 14. Entry Into Force, Duration, Termination and Amendments

(1) This Agreement shall enter into force on the day when the Contracting Parties notify each other that all legal requirements for its entry into force have been fulfilled.

(2) This Agreement shall remain in force for the period of fifteen(15) years. Thereafter, it shall continue to be in force until the expiration of six (6) months from the date on which either Contracting Party shall have given written notice of termination to the other Contracting Party.

(3) In respect of investment made whilst the Agreement is in force, its provisions shall remain in force for a period of ten(10) years from the date of termination.

(4) This Agreement may be amended by mutual consent of the Contracting Parties.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Seoul this 17th day of June 1992 in the Korean, Uzbek and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA

FOR THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN