

# AGREEMENT BETWEEN THE CZECH REPUBLIC AND THE REPUBLIC OF UZBEKISTAN ON MUTUAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Czech Republic and the Republic of Uzbekistan, hereinafter referred to as "Contracting Parties",

Desiring to strengthen and enhance economic cooperation between the two Contracting Parties, Desiring to create favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

'Recognizing that the promotion and reciprocal protection of investments under this Agreement will contribute to the development of entrepreneurial initiatives in this area,

Have agreed as follows:

## Article 1. Definitions

For the purposes of this Treaty:

1. The term "investment" means every kind of asset that are invested in accordance with the economic activity in order to generate profits by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its legislation and covers, in particular, but not exclusively:

i) movable and immovable property and any other related property rights, including mortgages, the right mortgage lien or other lien and similar rights;

ii) shares, stock, bonds and any other form of participation in the property of legal entities;

iii) The right to monetary claims and the right to claim for any other obligations related to making investments and having economic value;

iv) The right to intellectual and industrial property objects, including copyright objects, patents, trademarks, service marks, trade names, industrial designs, trade secrets, trade secrets, technological processes, know-how and goodwill, which are associated with investments;

i) rights conferred by law or under contract, license or permit in accordance with the law, including the law relating to concessions for the exploration, development, production, cultivation or exploitation of natural resources.

Any changes to the form in which the invested value, will not affect their character as an investment.

2. The term "investor" means any natural or legal person who invests in the territory of the other Contracting Party.

i) The term "natural person" means any natural person who is a national of one of the Contracting Parties in accordance with the current legislation, as well as a stateless person having such status and the right to carry on business under the legislation of one Contracting Party;

ii) The term "legal person" means, in relation to both Contracting Parties to any legal person, registered or established in accordance with applicable law and the recognized entity that has a central government in the territory of one of the Contracting Parties.

3. The term "returns" means the amounts obtained as a result of the investments or related, and include in particular, but not exclusively, profits, dividends, interest, capital gains, royalties and any other legitimate income.

4. The term "territory" means, as the territory of the Czech Republic and the Republic of Uzbekistan, in which each Contracting Party exercises sovereign rights and jurisdiction in accordance with international law.

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

1. Each of the Contracting Parties will promote investments by investors of the second Contracting Party and will create conditions for investors of the second Contracting Party that are favorable for investments in their territory and allow such investments to their territory in accordance with their legislation.
2. Each Contracting Party, in accordance with its legislation, will allow and encourage the investments of investors of the other Contracting Party on its territory, ensure fair and equal conditions for them, as well as guarantee their full and unconditional legal protection.
3. If a Contracting Party under this Agreement has admitted an investment on its territory, such other Contracting Party in accordance with its law investors of the second Contracting Party shall issue the necessary permits in connection with such investments.

## **Article 3. National Treatment and Most Favored Nation Treatment**

1. Each of the Contracting Parties will ensure in its territory the investments and incomes of investors of the other Contracting Party fair and equal conditions that are no less favorable than those that it provides to investments or incomes of its own investors, or investments or incomes of investors of any third state, those conditions are more favorable.
2. Each Contracting Party shall provide in its territory to investors of the other Contracting Party the right to operate, maintain, use or dispose of their investments in the conditions of fair and equitable and not less favorable than that it accords to its own investors or investors of any third state, if those conditions are more favorable.
3. The provisions of paragraphs 1 and 2 of this Article shall not be interpreted in a sense. obligations of the Contracting Parties to provide investors with the second Contracting Party, such terms or benefits that one Contracting Party may provide on the basis of:
  - i) membership of any existing or created in the future customs or economic union or free trade area or other international agreement, on the basis of which the same or similar union, as well as through other forms of regional cooperation could be established, or a member of a party which is or may become a Contracting Party;
  - ii) international treaties or agreements relating wholly or mainly of taxes.

## **Article 4. Damages**

1. If the investors of either Contracting Party whose investments in the territory of the other Contracting Party will be harmed as a result of war or other armed conflict, a state of emergency, civil strife or similar circumstances, that Contracting Party shall accord to investors in respect of restitution, compensation, pay and other types of payment terms not less favorable than those granted by the Contracting Party to its own investors or investors of a third state.
2. Notwithstanding paragraph 1 of this Article, investors of one Contracting Party, which in the events listed in predshedstvuyushem paragraph, suffer losses in the territory of the other Contracting Party in the form of:
  - i) confiscation of their property by armed forces or by the authorities of the other Contracting Party;
  - ii) destruction of their property by armed forces or by the authorities of the other Contracting Party which was not caused by military action or was not caused by the necessity of the situation,

It will be granted a fair and appropriate compensation for the damage caused as a result of such action or as a result of destruction of property. Final payment will be transferred without delay in a freely convertible currency.

## **Article 5. Deprivation and Restriction of Property Rights**

1. The Contracting Parties will not take directly or indirectly actions to withdraw, nationalize or other actions of the same nature or equivalent consequences in relation to investments owned by investors of the other Contracting Party if they are not related to measures taken in the public interest, implemented in law on a non-discriminatory basis.
2. A Contracting Party withdraw the investment due to the circumstances provided for in this Article, paragraph 1, would provide the investors of the second Contracting Party fair and effective compensation. Such compensation will correspond to the value of the seized investments defined as to withdrawal or until the decision to withdraw was a well-known (in whichever occurs first), will include a percentage of the value of the seized investments, calculated according to the commonly

used market interest rate, with the withdrawal date to the date of payment, and be freely transferable. The amount of compensation should be set in a freely convertible currency and paid without undue delay to the investor, regardless of its location or residence. Transfers without excessive delay will be considered as translation produced during the time normally required for the implementation of formal actions related to the transfer. Account for this period begins with the date of filing the application, and can not exceed three months.

3. The injured investor has the right to file a case in court or another independent body of the Contracting Party in whose territory the investment was made, to review without delay his case on the fact of deprivation and restriction of property rights and on determining the value of his investment in accordance with the principles set out in this article.

## **Article 6. Transfer of Payments**

1. The Contracting Parties shall guarantee the transfer of funds relating to investments or income. The transfers are made in freely convertible currency, freely and without undue delay after the payment of the relevant taxes, duties and fees. Such transfers include in particular, but not exclusively;

i) initially invested capital and any additional capital used to maintain or expand the investment;

ii) profits, interest, dividends and other ordinary income; \_

iii) the amount for the payment of loans;

iv Royalties or other payments;

v revenue from the sale or liquidation of all or part of the investment;

vi On a regular basis-for-work for individuals other Contracting Party engaged in activities associated with investments, in accordance with the law of the Contracting Party where the investments are made.

vii Compensation, relying in accordance with the articles of this Agreement and other payments associated with any investment disputes under this Agreement.

2. Transfers will be made in a freely convertible currency at the prevailing rate applicable in the day of the transfer, if it is not otherwise agreed.

3. transfers made without undue delay in accordance with paragraph 1 of Article real, are intended to transfers made on time, which is usually necessary for a work of such a transfer. This period shall in no case be less than three months.

4. Notwithstanding the provisions of this Article, paragraphs 1, 2, 3, a Contracting Party may prohibit the transfer on fair conditions, non-discriminatory application of its legislation, in cases relating to:

i) bankruptcy or insolvency;

ii) The protection of creditors' rights;.

iii) criminal offenses or administrative offenses.

5. The importation and exportation of the currency of the Contracting Parties and the currency of other states, payment documents, securities shall be regulated by legislation on currency regulation at the place of investment.

## **Article 7. Subrogation**

1. If a Contracting Party or any institution authorized by it will make payments to any of its own investors under a guarantee or insurance, the prisoner in connection with the investment, the other Contracting Party will be recognized:

i) the assignment of any rights or claims of the former Contracting Party or its institution, inherent to the investor no matter if the assignment of rights has occurred, based on the law or on the basis of the contract in that country, as well as that '

ii) the Contracting Party or its institution representing that investor rights have been transferred to acquire the right to exercise their rights and claims of the investor exposure, while at the same time taking on his responsibilities for investment.

2. Transferred rights or claims will not exceed the original rights or claims of the investor.

3. A Contracting Party party to the dispute with the investor of the other Contracting Party during the whole process of its

authorization or implementation of the decision on it should not be invoked as a defense to your immune system, or to receive compensation investor relying on insurance contracts do not provide for the provision of guarantees the latter Contracting Party or its authorized institutions and covers the entire amount or a portion of the loss or destruction.

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

1. In order to resolve any dispute that may arise between a Contracting Party and an investor of the second Contracting Party with respect to investments in the territory of the Contracting Party negotiations will take place between the parties concerned.

2. If the dispute between the investor and the second Contracting Party is not resolved within six months, the investor is to allocate it to

1) to the International Centre for the settlement of disputes related to investments (ICSID), subject to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of which opened for signature in Washington, 18 March 1965.;

2) ad hoc arbitrator or international arbitration court in accordance with the Arbitration Rules of the International Trade Law of the United Nations Commission (UNCITRAL). The parties that are in dispute may agree in writing to amend these Rules. arbitral tribunal's decision will be final and binding both parties to the dispute.

## **Article 9. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation and application of the provisions of this Treaty shall be settled through diplomatic channels, through consultations and negotiations.

2. If the Contracting Parties will not be agreed within six months of the date of the dispute, the dispute shall, at the request of either Contracting Party, be referred to the arbitral tribunal pursuant to the provisions of this Article.

3. The arbitral tribunal shall be made separately for each individual case as follows. Each Contracting Party shall appoint one arbitrator within two months from the date of receipt of the request for arbitration. These two arbitrators shall choose a citizen of a third State, who will be with the consent of both parties appointed Chairman of the arbitral tribunal (hereinafter the Chairman "). The Chairman will be appointed within three months from the date of appointment of the two arbitrators.

4. If during any of the time periods specified in clause 3 of this Article the necessary appointment of an arbitrator was not made, the arbitrator shall be appointed at the request of one of the Contracting Parties by the President of the International Court of Justice. If the President of the International Court of Justice is a citizen of one of the Contracting Parties or is unable to fulfill a mandate for another reason, the arbitrator is appointed Vice President. If the Vice-President is a citizen of one of the Contracting Parties or is unable to fulfill the mandate, the arbitrator is appointed the most senior member of the International Court of Justice, who is not a citizen of any of the Contracting Parties.

5. The arbitral tribunal shall render its decision by majority vote. This decision is final and binding for each Contracting Party. Each Contracting Party shall bear the expenses related to the activities of the arbitrator appointed by it and of its participation in the arbitration proceedings. Costs associated with the activities of the President of the Court, as well as other expenses, the Contracting Parties shall bear in equal shares. For all other matters the arbitral tribunal shall determine its own rules of procedure.

## **Article 10. The Application of other Rules and Special Commitments**

1. In the event that any issue is settled or settled at the same time by this Treaty and other international agreements to which both Contracting Parties are party, then none of the provisions of this Treaty prevents any of the Contracting Parties or any or its investor, whose property is an investment located in the territory of the other Contracting Party, has enjoyed any legal provisions that are more favorable to him.

2. If the conditions provided by one of Contracting Party to investors of the second Contracting Party under its legislation or other specific provisions of contracts is more favorable than the terms provided by this Agreement, it will apply more favorable conditions.

## **Article 11. The Application of this Treaty**

1. The provisions of this Treaty shall apply to investments made by investors of one Contracting Party on the territory of the other Contracting Party from the date of entry into force of the present Treaty, as well as on investment, carried out in accordance with its legislation before the date of entry into force of this Treaty.

2. The provisions of this Treaty shall not apply to disputes due to circumstances that arose before the date of entry into force of this Treaty.

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

1. This Agreement shall enter into force on the date of receipt of the last note on the implementation of the Contracting Parties of the internal procedures necessary for the entry into force of this Treaty.

2. This Agreement shall remain in force for ten years, after this period, remaining in force until then, until it will expire twelve months from the date on which one of the Contracting Parties shall notify through diplomatic channels, the second Contracting Party of its intention to terminate the Agreement.

3. With respect to the investments that were made prior to the termination of this Agreement, the provisions of the preceding Articles of the present Treaty shall remain in force for ten years from the date of termination of its validity.

In witness whereof, we, the duly authorized representatives have signed this Treaty.

Done in Prague January 1997 in two originals in the Czech, Russian and Uzbek. In case of divergence in the interpretation of the provisions of the Treaty, Contracting Parties will be guided by the text of the Agreement in Russian.

For the Czech Republic

For the Republic of Uzbekistan