

# **LITHUANIA AND THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN**

## **Republic on investment promotion and protection**

The Government of the Republic of Lithuania and the Government of the Republic of Tajikistan, hereinafter - the Contracting Parties,

In order to strengthen the economic cooperation between both countries advantageous terms;

Determined to create favorable conditions for investments by investors of one Contracting Party invests in the territory of the other Contracting Party;

Recognizing that the promotion and protection of investments will stimulate private business initiative in this area and raise the welfare of both countries, s u s i t a r as follows:

### **Article 1. Definitions**

In this Agreement:

1. The term "investment" means any kind of assets that an investor of one Contracting Party invests in the territory of the other Party, provided that the investment is in accordance with the other Contracting Party, the laws and regulations, and in particular, but not exclusively, includes:

- a) movable and immovable property and any other property rights, namely, mortgages, liens, pledges and similar rights;
- b) shares, bonds and other forms of participation in a company;
- c) claims to money or to make any economic value actions;
- d) intellectual property rights, in particular copyrights, industrial property rights (in particular, patents, industrial designs and models, trademarks, names of legal entities), and practical experience;
- e) goodwill;
- f) laws or contracts granted any rights to engage in economic activity, including concessions to prospect for natural resources to extract and use.

Invested assets in the form of amendment does not alter the nature of the investment, if the change was made by the investment in the host Contracting Party's laws and regulations.

2. The term "investor" means both Contracting Parties:

- a) natural persons who, under that Contracting Party's laws and regulations are its nationals and stateless persons permanently residing in its territory;
- b) any other entity established by the Contracting State laws and regulations.

3. The term "income" - means all of the investments in the funds, including in particular, but not exclusively, profits, capital gains, interest, dividends, royalties and salaries.

4. The term "territory" means the Contracting Party sovereign territory for which the Contracting Party to exercise sovereignty, and other areas in which the Contracting Party shall comply with international law sovereign rights or to exercise jurisdiction.

5. The term "laws and other legal acts" both Contracting Parties means the laws and regulations in force in their territory.

### **Article 2. Investment Promotion**

1. Each Contracting Party shall encourage investors of the other Contracting Party to invest in its territory and in accordance with its laws and regulations admit such investments.
2. Any of the Contracting Parties provided information related to the other Contracting Party, the laws, regulations, decisions, administrative practices, procedures or policies that may have an impact on investments covered by this Agreement.

### **Article 3. Investment Protection and Treatment**

1. Each Contracting Party shall at all times ensure the investors of the other Party for investment and income fair and equal treatment, as well as ensure their full safety and security of the other Contracting Party. Neither Contracting Party unilateral, unreasonable or discriminatory measures the other Contracting Party to investors the management, maintenance, use and development of investments and use or disposal.
2. Each Contracting Party adopted its territory of the other Contracting Party or investors for investment income treatment no less favorable than that accorded to its own or any third State investors or investment income, taking into account the fact that the most favorable for a particular investor.
3. The two Contracting Parties in their territory of the other Contracting Party to investors of their investment management, maintenance, use, expansion and use or disposal of the goods in respect of treatment no less favorable than that accorded to its own or any third State, in this context, which is the most favorable for a particular investor.
4. Paragraph national treatment and most favored national treatment shall not apply to advantages accorded by a Contracting Party shall provide in accordance with its obligations related to participation in the customs, economic or monetary union, common market, free trade area or similar regional economic integration agreements.
5. This Agreement shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party a more favorable treatment, incentives or privileges that the first Contracting Party may use third-country investors or their investment for participation in the customs, economic or monetary union, common market or a free-trade zone, resulting from international or bilateral of the customs, economic or monetary union, common market or free trade area agreement.
6. Most-favored-nation treatment shall not apply to privileges which either Contracting Party shall provide third-party investors for any existing or future agreement on avoidance of double taxation or any other agreement, partly or wholly related to taxation.

### **Article 4. Expropriation**

1. Neither Contracting Party neeksproprijuoja, nenacionalizuoja other Contracting Party of the investor and do not they have the resources, causing similar effects (hereinafter - expropriation), except in cases where:
  - a) such expropriation is carried out according to the law of public needs,
  - b) such expropriation is carried out non-discriminatory basis,
  - c) given prompt, adequate and effective compensation.
2. The compensation referred to in paragraph 1, point C corresponds to the market value of the expropriated investment that existed before the expropriation or before the impending

Expropriation became public knowledge, taking into account what has happened in the past; such compensation shall be paid without undue delay. It includes interest calculated from the date of expropriation until full payment by the London banking Exchange rate (LIBOR).

3. Investors, whose assets are expropriated, without prejudice to Article 8 of the Agreement set out their rights, have the right to eksproprijuojancios Contracting Party State judicial or other competent and independent authority shall immediately examine the case and determine whether such expropriation and related compensation consistent with paragraphs principles and eksproprijuojancios Contracting State laws and regulations.

### **Article 5. Compensation for Loss**

1. Investors of one Contracting Party who suffer losses in their investments in the territory of the other Party of war, state of

national emergency, insurrection, riot or other similar events, the latter Contracting Party treatment no less favorable than that accorded by the Contracting Party on its own or any third State, taking into account the fact that the most favorable.

2. Notwithstanding paragraph 1, a Contracting Party to investors of the other Contracting Party suffer losses due to:

- a) by its forces or authorities met their investments total or partial requisition, or
- b) by its forces or authorities in the destruction of their investment or part thereof in the absence of necessity,

Subject to immediate restitution or paid adequate and effective compensation.

## **Article 6. Transfers**

1. Each Contracting Party shall guarantee to investors of the other Party that its territory and from its territory to be transferred without restrictions on investment-related funds, in particular:

- a) the initial capital and the additional amount of investment to maintain or develop;
- b) income;
- c) proceeds from the total or partial liquidation of investments;
- d) the funds allocated to the investment directly related to payment of loans;
- e) compensation in accordance with paragraphs 4 and 5 of the Convention;
- f) payments made in accordance with Article 7 of the guarantee or insurance contract;
- g) earnings of foreign employed persons who work in its territory related to investments.

2. Without prejudice to the European Union imposed measures, transfers shall be made without supporting urgent currency in which the investment was made, or, with the consent of the investor, in any convertible currency in accordance with the relevant transfer on the day of the exchange market rate.

3. The Contracting Parties shall apply paragraphs 1 and 2 transfers referred to treatment no less favorable than that which they apply to transfers related to any third country investors.

## **Article 7. Subrogation**

If one Contracting Party or its designated agency (the first Contracting Party ") makes a payment under a guarantee or insurance contract relating to the other Contracting Party (the second Contracting Party") in the territory contained in the investment, the second Contracting Party shall recognize:

- a) compensation upon the country of all rights and claims to the First Contracting Party by law or by legal transaction and
- b) that the first Contracting Party subrogated rights and requirements of use as well as the country, which was good.

## **Article 8. Settlement of Investment Disputes**

1. one Contracting Party and the other Contracting Party of the investor disputes related to the latter's first investment in the territory, settled, if possible, in peace. The investor of the dispute in writing to the Contracting Party to the territory of the investments, along with detailed information.

2. If, within six months from the date of receipt of this paragraph 1 shall report in writing, it failed to resolve the dispute peacefully, the investor has the right to submit the dispute to:

- The Contracting Party in whose territory the investment was made, the competent court or national commercial arbitration institutions;
- The International Centre for Settlement of Investment Disputes (ICSID), set up under the Convention for the State and other states of natural and legal persons of Investment Disputes for conciliation or arbitration under the ICSID arbitration process rules, if both Contracting Parties are parties to this Convention, or
- An ad hoc tribunal set up under the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules. These rules may be modified by written agreement between the parties to the dispute.

3. The arbitration decisions are final and binding on the parties. Both Contracting Parties shall immediately carry out these decisions, accepted by the Contracting Party's laws and regulations, and take measures to effectively implement its territory.
4. Neither Contracting Party shall not rely on the defense that all or part of the damages or other compensation was paid or to be paid under the guarantee or insurance contract.

## **Article 9. Disputes between the Contracting Parties Solution**

1. Any dispute between the Contracting Parties concerning the interpretation or application of the Agreement, as far as possible, be settled through diplomatic channels.
2. If the Contracting Parties fail to reach an agreement within six months from the beginning of the dispute between either Contracting Party, the request shall be referred to arbitration.
3. Arbitration in each individual case, be constituted as follows: within two months from the date on which either Contracting Party receives notification from the other Contracting Party of the request for arbitration, each Contracting Party shall appoint one arbitrator. These two arbitrators shall elect, within two months the third arbitrator who shall be a third state. In both contracting parties' agreement, the third arbitrator shall be appointed chairman of the arbitration.
4. If the paragraph 3 the time the tribunal has not been concluded and there is no other agreement, either Contracting Party may request the International Court of Justice to make the necessary appointments. If the President is a Contracting Party citizen or for some other reason unable to perform the Functions, the right to make the necessary appointments granted to the International Court of Justice of the Vice-President. If the Vice-President is a Contracting Party to a national or state it can not perform the functions necessary to carry out the appointment is requested by another precedence of the International Court of Justice member who is not a citizen of the Contracting Party.
5. The arbitration court sets its own rules of procedure. Arbitration decisions are taken by majority vote. The decisions are final and binding on both Contracting Parties.
6. The two Contracting Parties shall bear the costs related to their appointed arbitrator, activities and their representation in the arbitration proceedings; the costs associated with the arbitration activities of the President and the other costs of both Contracting Parties shall be borne equally. However, arbitration may decide that a greater share of the cost borne by the Contracting Party, and such decision shall be binding on both Contracting Parties.

## **Article 10. More Favorable Provisions**

1. If a Contracting Party to the state laws and provisions of international law or of the other Contracting Party to investors or their investments more favorable treatment than this Agreement shall apply to those provisions and to the extent they are more favorable.
2. The two Contracting Parties shall comply with other obligations they may have the other Contracting Party of the investor specific investment.

## **Article 11. Consultations**

One Contracting Party at the request of the other Contracting Party shall immediately agree to hold consultations on the interpretation or application of the Agreement.

## **Article 12. Of the Agreement to the**

This Agreement shall apply to investments made by one Contracting Party to investors from the other Contracting Party in the territory under the laws and regulations and to the entry into force, and after its entry into force, but not related to investment disputes which have arisen or could arise by this Agreement, entry into, or to any disputes, which were examined by the entry into force of this Agreement.

## **Article 13. Amendments**

The entry into force of this Agreement or at any time thereafter the provisions of this Agreement may be modified by the Contracting Parties in writing. Such amendments shall enter into force when the Contracting Parties notify each other of the

entry into force of the internal procedures necessary for the execution.

## **Article 14. Entry Into Force, Duration and Termination**

1. This Agreement shall enter into force on the date on which the Contracting Parties shall notify each other of the completion of all the domestic legal procedures necessary for its

Effect.

2. This Agreement is valid for fifteen (15) years. After this period, it shall continue until the end of the twelve (12) months from the date on which either Contracting Party shall give written notice to the other Contracting Party of the termination of this Agreement.

3. The investments made before the date of termination of this Agreement, ten (10) years from the date of the provisions of this Agreement, the provisions of Articles 1-12.

AWARD 2009. 12 February. Vilnius duplicate in the Lithuanian, Tajik and English languages, all texts being equally authentic. In case of disagreement on the interpretation, the English text shall prevail.

REPUBLIC OF LITHUANIA REPUBLIC OF TAJIKISTAN

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