

AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF BULGARIA ON THE PROMOTION AND MUTUAL PROTECTION OF INVESTMENTS

(Sofia, June 8, 1993)

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

Desiring to strengthen mutually beneficial economic cooperation,

Striving to create and maintain 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 promote business initiative in this field,

Have agreed as follows:

Article 1.

For the purposes of this Treaty:

1. The term "investment" means any property values, and in particular:

- a) The right of ownership and other material rights;
- b) shares, stocks and other forms of participation in companies;
- c) claims and other rights having economic value;
- d) intellectual property rights (copyrights, inventions, industrial designs, trademarks and appellations of origin), technological processes, know-how and goodwill;
- 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 of asset investment does not affect their character as investments provided that such change does not contradict the legislation of the Contracting Party in whose territory the investments were made.

2. The term "investor" means in respect of each of the Contracting Parties:

- a) any natural person who is a citizen of that Contracting Party in accordance with its legislation;
- b) any company, firm, company, enterprise, organization or association, established in accordance with the legislation of that Contracting Party and located in its territory.

3. The term "returns" shall mean profits, dividends, interest and other amounts received as a result of investments.

4. The term "territory" means the territory of the State of either Contracting Party, as well as the exclusive economic zone and continental shelf, over which the State exercises sovereign rights and jurisdiction in accordance with international law.

Article 2.

1. Each Contracting Party shall encourage investors of the other Contracting Party to make investments in its territory and

admit such investments in accordance with its legislation.

2. Each Contracting Party shall ensure, in accordance with its legislation unconditional protection of investments of investors of the other Contracting Party.

3. Income from investment and, in the case of re-investment income from the re-investment enjoy the same protection as the investment.

Article 3.

1. Each Contracting Party shall ensure in its territory investments of investors of the other Contracting Party and activities in connection with the investments fair and equitable treatment, excludes the application of discriminatory measures that would impede the management and disposal of investments.

2. The regime referred to in paragraph 1 of this Article shall not be less favorable than that accorded to the investments and activities in connection with the investments of its own investors or investors of any third state.

3. Each Contracting Party reserves the right to determine the sectors and spheres of activity, which exclude or restrict the activities of foreign investors. Any new exemption, to be ascertained by a Contracting Party, shall not be applicable to investments made in its territory by investors of the other Contracting Party prior to the entry into force of withdrawal.

4. Most-favored-nation treatment granted in accordance with paragraph 2 of this Article shall not apply to the advantages which the Contracting Party is providing or will provide in the future:

In connection with participation in a free trade area, customs or economic union, the organization of international economic cooperation;

On the basis of agreements to avoid double taxation or other agreements on taxation.

Article 4.

1. Investments of investors of either Contracting Party made in the territory of another Contracting Party shall not be expropriated, nationalized or subjected to measures equal to expropriation or nationalization (hereinafter referred to as - the nationalization), except in cases where such measures are taken in the public interest in the manner prescribed by law, are not discriminatory and are accompanied by payment of prompt, adequate and effective compensation.

2. The compensation shall correspond to the market value of the nationalized investment immediately before the date when the official was aware of the actual or impending nationalization. Compensation shall be paid in freely convertible currency in which the investment was originally made, or in any other freely convertible currency determined by agreement between the investor and the Contracting Party that has administered nationalization. Until the payment of the amount of compensation shall bear interest in accordance with the set market-based interest rate applicable in the territory of that Contracting Party.

Article 5.

Contracting Party in whose territory damaged the investments of investors of the other Contracting Party owing to war or other armed conflict, civil unrest, state of emergency or other similar circumstances, provides such investors in respect of property restoration, compensation and other settlement, treatment no less favorable than that which it accords to its own investors or investors of any third state.

Article 6.

1. Each Contracting Party shall permit investors of the other Contracting Party, after fulfillment of all tax obligations, free transfer of payments in connection with the investments, and in particular:

- a) the amounts of the initial capital and additional amounts to maintain or increase investments;
- b) income as defined in paragraph 3 of Article 1 of this Agreement;
- c) the amounts received by the investor from the sale or total or partial liquidation of investments;
- g) compensation in accordance with Articles 4 and 5 of this Agreement;

d) wages and other remuneration received by nationals of the other Contracting Party for work and services performed in connection with investments made in the territory of the first Contracting Party, in the amount and manner prescribed by its legislation.

2. Transfer of payments referred to in paragraph 1 of this Article shall be made without delay in a freely convertible currency at the date of transfer of the exchange rate of the Contracting Party in whose territory the investments were made.

Article 7.

1. Any dispute between an investor of one Contracting Party and the other Contracting Party, arising out of the implementation of the investment will be allowed the possibility of a negotiated resolution.

2. If so the dispute is not resolved within six months from the date of its occurrence, it can be referred to the competent court or tribunal of the Contracting Party in whose territory the investments were made.

3. The debate on the size of the issues, conditions, or order the payment of compensation on the basis of Articles 4 and 5 of this Agreement, as well as the order of transfer payments under Article 6 of this Agreement may be submitted to an arbitral tribunal "ah Jos" in accordance with the Arbitration Rules of the Commission the United Nations on international trade law (UNCITRAL), provided that the investor does not exercise the right to bring an action in accordance with paragraph 2 of this article.

The decision of the arbitral tribunal shall be final and binding on both parties to the dispute.

Article 8.

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 9.

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations.

2. If a dispute between the Contracting Parties can not be settled in this way within six months from the start of negotiations, at the request of either Contracting Party, he referred to the arbitral tribunal.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way: Within three months of receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. Two members shall elect a national of a third state, which, after approval by both Contracting Parties shall be appointed Chairman of the tribunal. Chairman of the arbitral tribunal shall be appointed within two months from the date of appointment of the other two members of the court.

4. If specified in paragraph 3 of this Article the terms necessary appointments have not been made, in the absence of any other agreement, either Contracting Party may request the President of the International Court of Justice to make such appointments. If the President is a citizen of either Contracting Party or is otherwise unable to discharge the said function, please make the necessary appointments may be addressed to the Vice-President of the International Court. If the Vice President is a national of either Contracting Party or also can not perform the specified function, please make the necessary appointments may be addressed to him the next-highest member of the International Court, which is not a national of either Contracting Party.

5. The arbitral tribunal shall make its decision on the basis of the provisions of this Agreement, as well as generally recognized principles and norms of international law. He shall render its decision by majority vote. This decision is final and binding on both Contracting Parties. The Court shall determine its own procedures independently.

6. Each Contracting Party shall bear the expenses related to the activities of its own member of the court and its representation in the arbitration process. Costs associated with the chairman of the court activity, and other expenses The Contracting Parties shall bear in equal shares.

Article 10.

If one of the Contracting Parties in accordance with its own law or international treaty to which both Contracting Parties,

provides investments of investors of the other Contracting Party and activities in connection with the investment regime more favorable than that accorded by this Agreement, it applied a more favorable treatment.

Article 11.

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of another Contracting Party since 1 January 1965.

Article 12.

1. This Agreement shall enter into force thirty days from the date of written notification to the Contracting Parties to each other of the completion of their respective constitutional procedures and will be valid for fifteen years.
2. This Agreement shall remain in force unless either Contracting Party notifies the other Contracting Party to terminate it at least twelve months before the expiry date specified in paragraph 1 of this Article.
3. After the expiry of the initial period of fifteen years, either Contracting Party may at any time terminate this Agreement by written notice of its intention to the other Contracting Party. The Agreement shall terminate twelve months after the date of receipt of such notice by the other Contracting Party.
4. With respect to investments made prior to the date of termination of this Agreement, the provisions of Articles 1 - 11 of this Agreement shall remain in force for a further period of fifteen years from that date.

Done at Sofia, 8 June 1993 in two copies, each in the Russian and Bulgarian languages, both texts being equally authentic.