

# Agreement between Republic of Georgia and Republic of Azerbaijan on Reciprocal Protection of Investments

Participants to the Agreement, Desiring

Mutual benefit for both countries to promote economic cooperation among long-term basis,

Desiring, in the territories of the other Party to the creation of favorable conditions for investments of investors and the maintenance,

Recognizing that the promotion and encouragement of investments, according to the agreement, will stimulate business initiatives in this field,

Have agreed as follows:

## Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" includes any kind of assets, which are invested in the economic activities of the Party to the investors of the other Contracting Party, the latter in accordance with applicable law and, in particular, including, but not limited to:

- A) movable and immovable property and any property rights, mortgage and sagirao Among the rights and obligations;
- B) shares, securities, liabilities, income reinvested, targeting the banking and financial contributions relating to investments;
- C) Cash and any other requirements related to financial activities;
- D) intellectual property rights of the copyright, including trademarks, patents, industrial designs, technological processes, know-how, trade secrets, trade names and goodwill related to the investments;
- E) compliance with licenses and permits for natural resources exploration, production, refining and exploitation including kotsensiebis.

Any change in the form in which assets are invested, does not affect their character as investments.

2. The term "investor" means:

- A) any natural person who holds one of the Contracting Parties under the law of nationality or habitual residence, or
- B) any legal person, each of which is a Party to the current legislation and invest in the other Contracting Party.

3. The term "income" means the monetary funds received as a result of investments, and in particular, the audience, but in doing so

Not limited to, income, interest, capital growth, dividends, royalties and fees for services.

4. The term "territory" means:

In respect of Georgia: Georgian territory, territorial waters and sea areas beyond the territorial sea, or in the future may be marked with a note of the legislation with international law as an area within which Georgia would exercise its sovereign rights to the seabed, niadagiskvesha layers,

The continental shelf and the natural resources of the Government;

With regards the Republic of Azerbaijan: territory of the Republic of Azerbaijan's internal waters, the Caspian Lake sector,

which belongs to the Republic of Azerbaijan, Azerbaijan's air space, as well as any other area, which is defined or are defined by international law and the Republic of Azerbaijan in accordance with national law, the within the framework of the Azerbaijan Republic exercises its sovereign rights to the seabed, niadagiskvesha concerned with natural resources of the continental shelf of.

## **Article 2. Application of Agreements**

This Agreement shall apply to all investments in the territory of one of the parties, which is embodied in the other Contracting Party of the investor as this Agreement enters into force, as well as after.

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

1. Each Party shall encourage and create favorable conditions for investors of the other Contracting Party in its territory and admit such investments in order to invest its own laws and regulations.

2. Any Contracting Party to investors enjoy a fair and equitable approach, complete

Compliance

And a second security in the territories.

## **Article 4. National and Mfn Treatment**

1. Each Party shall accord in its territory investments by investors of the other Contracting Party to a regime that is fair, equitable and not less favorable than the regime, which it attaches to its own investors or investors of any third State.

2. Each Party shall accord in its territory investments by investors of the other Contracting Party regime, which have their own investment management, maintenance, use and disposal in relation to a fair, equitable and not less favorable than that which it attaches to its own investors or third-country investments.

3. The provisions of paragraphs 1 and 2 shall not be interpreted as one of the party's commitment to extend to the other Party to the investors of the Contracting Parties of any regime, preferences, privileges or benefits to be derived from:

A) any customs union or free trade area or similar international agreements that affect the investment regime or other forms of regional cooperation, which it is, or might become a party to;

B) any international agreement or arrangement that are fully or partially related to taxation.

## **Article 5. Compensation for Losses**

1. In the case of any Party to the investments by investors suffer losses in the other Contracting Party in the territory of war, armed conflict, a national emergency, revolution, rebellion, conspiracy, natural disasters, accidents or other similar circumstances, the parties involved have to be given to the regime, restitution of the payments of compensation or other decisions with regard to no less favorable than that which the latter will grant its own investors or of any third country.

2. Without prejudice to paragraph 1 of this Article one Contracting Party to investors who have suffered losses in the territory of the other Contracting Party, which is caused by:

A) requisitioning of their property by force or by the government,

B) destruction of their property by force or by the government, which was not caused by the hostilities or the situation, will be given a fair and adequate compensation for losses that were

Property investors have suffered as a result of the destruction or requisition of time.

Arising from tax-free transfer of convertible currency will be smoothly.

## **Article 6. Expropriation**

1. Any Contracting Party to the investors' investments will not be nationalized, expropriated or they will not be accepted on the territory of the other Party to nationalization or expropriation (hereinafter - the "expropriation") except for purposes of public measures with equivalent effect. Expropriation proceedings will be carried out in accordance with non-discriminatory

basis and prompt adequate and effective compensation. Such compensation shall be equal to the market value of investments at the time when the threat of expropriation or expropriations become commonplace, plus interest

From the date of expropriation "LIBOR" - the rate

, Which will be paid in the currency in which the investment agreement of the parties or any other investor favorable currency. Payment shall be made without delay and be effectively realizable and freely transferred.

2. The investor affected

That Contracting Party shall have the right to prompt review by the court and the provisions of this Article, its investment evaluation.

3. The provisions of this Article shall also apply when a party to the expropriation of the company's assets will provide, which has received the status of a joint stock company established under the laws of its own territory or in any part of the other Contracting Party and in which investors own units.

## **Article 7. Transfer of Funds**

Forward

1. Contracting Parties shall permit the transfer of tax legislation in respect of the guarantee relating to investment and income. Transfer of payments to be delivered without any delay and without limitation.

2. For the purposes of this Agreement shall be considered the official exchange rate is the rate at which transfers will be valid from the date of the agreement in the event that you have agreed to introduce other courses.

## **Article 8. Subrogation**

1, if the Contracting Party or its intermediary to run the payment of its own to the investor in accordance with the guarantees that have been issued in respect of investments in the territories of the other, then the latter will recognize:

A) Contracting Parties or its designated shuamavlisadmi rights or the rights of the investor's request

The program, under the law or the law of the country in accordance with the agreement, as well as the fact that

B) The Contracting Party or its designated broker has the right to subrogation claims

And to assume the obligations associated with these investments.

2. The subrogation rights or as a result of the request shall not exceed the investor's needs and rights.

## **Article 9. Settlement of Disputes between Contracting Party and Investor of the other Contracting Party**

1. Any dispute that may arise in a Contracting Party, the investor and other parties involved in the investments in the territories, will be the subject of negotiations between the parties.

2. If one of the parties to any dispute between the investor and the other parties involved can not be resolved through a written request for six months, then the investor receives the right to transfer this case:

A) review of the judicial authority of the Contracting Party in whose territory the investment is carried out, or

B) investment-related disputes in the International Centre (ICSID), states and other states of the Settlement of Investment Disputes Convention adequately conditions, which opened for signature in Washington, DC, on 18 March 1965, in the case when both of the Contracting Party to the Convention parties, or

C) an arbitrator or international arbitration ad hoc, based on the United Nations Commission on International Trade Arbitration Rules rights (UNCITRAL). The parties may agree in writing to change the rules about. Arbitration decisions are final and binding on both parties to the dispute.

## **Article 10. Settlement of Disputes between Parties**

1. The Contracting Parties of this Agreement shall be interpreted and applied as far as possible disputes should be resolved

through negotiations.

2. If such a dispute can not be solved this way, the start of the six-month period, then at the request of any Contracting Party, in accordance with the provisions of this article, it will be submitted to arbitration.

3. The Court of Arbitration for each individual case in the following way: The arbitration decision on a written request within two months of each Contracting Party shall appoint one member of this court. These two members will be elected after the third-country national who is the consent of the parties to be appointed Chairman of the tribunal (hereinafter - "the Chairman"). The chairman will be appointed within three months from the date of appointment of the other two members.

4. If the period specified in paragraph 3 of this Article the necessary appointments have not been made, then any Contracting Party shall have the right to invite the UN International Court of Justice, in order to carry out the necessary appointments. If it is determined that it is considered one of the Contracting Parties, the, or for other reasons is unable to perform this function, then the UN's International Court of Justice next position will be able to smoothly carry out the functions of a member of the appointments and carry out.

5. The tribunal shall make decisions by majority. Such decisions are binding on each of the parties. Each Party shall bear the expenses of the court and arbitration proceedings in its representation of its members in connection with; Arbitration Court of storage costs and other expenses are covered by the parties equally. The tribunal shall determine its own procedure and the decision can determine, between the parties which should have a greater share of the expenditures.

## **Article 11. Special Duties and other Rules**

1. If this issue is regulated at the same time

You agree and other international agreements,

Monatsileebada both of which are considered a party to this agreement has not sheeshlebat the Parties or any of the investors, who invest in the territory of the other Contracting Party, enjoy the advantage of the rights which are more favorable to them with regard to the cases.

2. If the mode in which one of the parties should be given to the other Party to the investors of its laws and regulations or other specific provisions of contracts is more favorable than the treatment of this agreement, then it will be more favorable to them.

## **Article 12. Amendments**

This agreement may be included in the written agreement between the parties involved in the changes and additions. Any

Correction

Tion to enter into force, if any party to notify the other party that he had regulated all the formalities that prevented this

Sh

Estsorebis entry into force.

## **Article 13. Entry Into Force, Duration and Termination of the Agreement**

1. This

The agreement takes effect

Enter when each Contracting Party shall notify the other parties involved in the implementation of the procedures, which are necessary for the treaty to enter into force in accordance with the current legislation.

This Agreement shall enter into force 30 days after the last receipt of the notification.

2. This

By agreement

M

Tion force

Remains of ten years. After that, it is automatically prolonged for another five-year periods, unless one party to the expiration of twelve months prior written

H

Notice

The other parties involved in the agreement on the termination of his desire.

3. In respect of investments, which are carried out in this agreement is terminated, this Agreement shall remain in force for further 1-11 of ten years from the moment of its termination.

Done

St.

Tbilisi

In

March 8, 1996, in duplicate,

Each

Georgian, Azeri and Russian language

Ins

At the same time

All text

Find

Equally valid. In this agreement the use of the Russian text shall prevail.