

Agreement between the Government of the People's Republic of Bangladesh and the Government of the Republic of Uzbekistan on Reciprocal Promotion and Protection of Investments

The Government of the People's Republic of Bangladesh and the Government of the Republic of Uzbekistan, (hereinafter referred to as the Contracting Parties),

Desiring to promote more extensive economic cooperation for mutual benefit of both parties on a long-term basis,

Recognizing the necessity of encouragement and protection of investments with the purpose of creating and preserving favorable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party,

Agreeing that the stable ground of investment will provide greatest effectiveness of economic resources and development of productive forces;

Have agreed as follows:

Article 1. General Definitions

For the purpose of the present Agreement

1. The term «investor» applies to and includes:

- i) States of the Contracting Parties;
- ii) Legal entities of the states of the Contracting Parties;
- iii) International organizations of the states of the Contracting Parties;
- iv) Citizens, associations of citizens and persons without citizenship of the states of the Contracting Parties;
- v) Citizens of the Contracting Parties residing permanently abroad.

2. The term «investments» means every kind of property values and rights on them, as well as rights on intellectual, trade and industrial property, such as copyrights, patents, useful models, industrial samples and models, trade signs, trade names, industrial and commercial secrets, technologies, «goodwill» and «know-how».

3. Investments in the territory of states of the Contracting Parties shall be made by means of:

- i) Creating economic unions and partnerships, banks, insurance organizations and other enterprises belonging to investors fully or on the basis of partial participation;
- ii) Acquisition of property, shares and other securities;
- iii) Acquisition of tenure rights, including the right to use land, (including leasehold tenure) and natural resources;
- iv) Other activities with regard to investments, under the law in force in the territory of the state of the Contracting Party, receiving investments.

Change in the form in which assets are invested, does not affect their character as investments. 4. The term «legal entities» means - any legal entity, constituted in accordance with the legislation of the state of one of the Contracting Parties, having its registered office and making investments in the territory of the state of the other Contracting Party.

5. The term «international organization» means - international organizations, unions, whose central organs are situated in the territory of the state of one Contracting Party, and activity, in accordance with its regulations is spread on the territory of

this Contracting Party, one or more foreign states, and is carried on in accordance with principles and standards of international law.

6. The term «citizens» means - persons, who have citizenship and rights, under the law in force of one of the Contracting Parties, who reside permanently in its territory or abroad and who make investments in the territory of the state of another Contracting Party.

7. The term «persons without citizenship» means - persons, who do not have citizenship, reside permanently in the territory of the state of one of the Contracting Parties, and are registered in accordance with laws of the state of this Contracting Party as exercising business activity and making investments in the territory of another Contracting Party.

8. The term «income» means, but not exclusively - the amounts, yielded by an investment, as they are defined in paragraphs 2, 3 of the present Article, in forms of profits, interests, dividends, royalties, license and commission remuneration's, payments for technical assistance, technical service and other forms of remuneration.

9. The term «territory» means, accordingly, the territory of the state of one of the Contracting Parties, under which the Contracting Party may exercise in accordance with the principles of international law their sovereign rights and jurisdiction for the purpose of exploring, exploiting and preserving natural resources.

Article 2. Promotion and Protection of Investment

1. Each Contracting Party, in accordance with legislation of their states, shall admit and promote in its territory investments of investors of the state of another Contracting Party and guarantee to these investments their complete and absolute legal protection.

2. Each Contracting Party, under its laws shall maintain diverse forms of mutual investments and provide economic cooperation by means of protection in its territory of investments of investors of other Contracting Party.

3. Contracting Parties shall proceed from the necessity of rendering assistance to enterprises with investments of investors of Contracting Parties, who make direct investments and realize multilateral economic agreements in the territory of Contracting Parties and in the territory of any third state.

4. If one of the Contracting Parties under present Agreement admits investments in its territory, it shall in accordance with its laws issue all necessary permissions, related to such investments.

Article 3. National Treatment and Most-favored-nation Treatment

1. Each Contracting Party shall in the territory of its state accord to investments or returns of investors of the other Contracting Party fair and equitable treatment, no less favorable, than that, which it accords to its own investments and returns of investors and/or to investments and returns of investors of any third state.

2. Each Contracting Party shall observe all obligations, regarding investments of investors of the state of the other Contracting Party, imposed by its national legislation and the present Agreement.

3. The most-favored-nation provisions of the present Agreement shall not be interpreted as obligation for one of the Contracting Party to apply favorable preference treatment or privileges to investors of the other Contracting Party followed, from:

i) Existing or future customs, currency or payment unions, free trade and zones, common market or any agreement on regional economic integration;

ii) Agreements on avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on returns (income) and on property (or capital), or other international agreements regarding questions on taxation and custom regulations.

Article 4. Application of other Rules and Special Obligations

If regulations in legislation of the state of one of the Contracting Parties or regulations, connected with international law, existing at present or established hereafter in addition to the present Agreement, will contain rules, whether general or specific, entitling investments by investors of one Contracting Party to a treatment more favorable than is provided by the present Agreement, such rules shall to the extent that they are more favorable prevail over the present Agreement.

Article 5. Transfers

1. Contracting Party, in whose territory investments of investors of other Contracting Party were made, shall after payment of related taxes and fees provide free transference of payments related to investments, in particular, but not exclusively:

- i) Interests, dividends, returns and other current incomes, as they are defined in the Article 1, paragraph 8 of the present Agreement;
- ii) Amount for liquidation of loans, recognized by both sides as investments;
- iii) License returns and other payments, arising from rights, pursuant to Article 1, paragraph 2 of the present Agreement;
- iv) Capital and additional amounts for maintenance, development and management of investments, made on the territory of other Contracting Party;
- v) Proceeds from alienation, or liquidation of all or any part of investment, as well as from increase of capital;
- vi) Salaries, received by nationals of the state of one Contracting Party in the territory of another Contracting Party, related to investments;
- vii) Compensations, to be paid in accordance with the present Agreement and other payments, related to any investment disputes in the framework of the present Agreement.

2. Transfers shall be made without delay in that currency, in which they were made or in a freely convertible currency at the prevailing market rate of exchange on the date of transfer, in accordance with the procedure provided by the legislation of the state of the Contracting Party, in whose territory investments were made.

3. Notwithstanding the provisions of paragraphs 1 and 2 of the present Article, either Contracting Party may prohibit transfer on the fair and nondiscriminatory application of its laws in the following cases:

- i) Bankruptcy, insolvency or protection of rights of creditors;
- ii) Emission, trade and operations with securities;
- iii) Criminal and administrative crimes;
- iv) Desparity between legal procedure or decisions.

4. Returns and other amounts in any currency, indicated in the present Article and received by investors of the state of one of the Contracting Parties as a result of investments in the territory of the other Contracting Party, may be re-invested or used for other purposes in the territory of the latter Contracting Party under its laws.

5. Importation and exportation of currencies of the states of the Contracting Parties and any other states, payment documents, securities are regulated by laws on currency regulation of the state of the Contracting Party, receiving investments.

Article 6. Deprivation and Limitation of Ownership and Compensation for Losses

1. Contracting Parties shall not undertake directly or indirectly actions on expropriation, nationalization or other actions, having equal character and effect, relating to investments of investors of the state of the other Contracting Party, except:

- i) Measures for a public purpose, taken under the legislation;
- ii) Measures on a non-discriminatory basis or undertaken in response to actions of other Contracting Party;

2. Contracting Parties, which expropriates investments, due to circumstances, indicated in paragraphs 1-i, ii of the present Article, shall provide to investors of other Contracting Party fair and equitable compensation. Such compensation shall amount to the market value of the investment expropriated immediately before the expropriation or before the impending expropriation became public knowledge, (whichever is earlier), and should include interests from the value of investments, calculated by «Libor's» rate on the date of expropriation and be freely transferable.

The amount of compensation shall be estimated in that currency, in which investments were made, or in freely convertible currency, be paid without delay, independently of the place of its location or residence. Transfer «without delay» is considered the latter, made during that time, which is normally necessary for fulfillment of formalities, related to transfer. The calculation of period starts from the date of presentation of application and shall not be more than three months. 3.

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, riots or other similar events in the territory of other Contracting Party, shall be provided by compensation, restitution, indemnification or other settlement, according to conditions, indicated in paragraphs 1 and 2, Article 3, of the present Agreement.

4. Investors of one of the Contracting Parties have a right on compensation of losses, caused in the territory of the other Contracting Party as a result of activity of its state organs, or state officials, contradicting the legislation of that Contracting Party in whose territory the investments were made, and also following from inappropriate execution of their duties in respect of investors of other Contracting Party or enterprises with these investments.

Article 7. Subrogation

1. If one Contracting Party or its representative institution presented any financial guarantees from non-commercial risks, related to investments of its own investors, in the territory of other Contracting Party, and made a payment under this guarantee, the latter on the basis of principle of subrogation recognizes the transfer of rights and claims of these investors to the first Contracting Party or its authorized institutions, with provisions, related duties of these investors on insured investments.

2. In the case of subrogation, indicated in paragraph 1 of the present Article, investor shall not claim, if he is not entitled by this Contracting Party or its authorized institution.

3. Contracting Party, involved in dispute with investor of the other Contracting Party, during the whole process of settlement or execution of decisions on this dispute, shall not refer to its immunity or on the compensations, received by investors, according to insurance contracts, which do not provide guarantees to the latter Contracting Party or its authorized institutions, and cover whole amount or part of losses.

Article 8. Consultations

Each Contracting Party may propose to another Contracting Party to conduct consultations on any matter, connected with interpretation and application of the present Agreement. Other Contracting Party shall be favorably disposed to this proposal and shall provide possibility for such consultations.

Article 9. Settlement of Disputes between Contracting Parties

1. Disputes between Contracting Parties, concerning interpretation and application of the present Agreement shall be settled through diplomatic channels.

2. If a dispute between the Contracting Parties thus cannot be settled within six months from notification of a dispute, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal, consisting of three members. Each Contracting Party appoints one member of the tribunal, who then select a Chairman, who is a national of a third State, which has diplomatic relations with both Contracting Parties.

3. If one of the Contracting Parties does not appoint its arbitrator and does not agree with the invitation of other Contracting Party to make necessary appointment during two months, the latter may invite the President of International Court of Justice to make any necessary appointments.

4. If two appointed arbitrators do not reach agreement, concerning the appointment of the Chairman, any Contracting Party may apply to the President of the International Court of Justice to make necessary appointments.

5. If in cases, indicated in paragraphs 3 and 4 of the present Article, the President of International Court of Justice can not exercise these functions or if he is a national of one of the Contracting Parties, the Deputy President shall make all necessary appointments, and if he can not make these appointments, next by seniority member of International Court, who is not a national of any Contracting Parties shall make all appointments.

6. The tribunal shall reach its decisions considering respect to laws. On any stage of making a decision, the tribunal may propose to reach an agreement by friendly way. Previous provisions shall not create obstacles to such settlement of a dispute.

7. The tribunal shall determine its own rules of proceedings, not violating other agreements of Contracting Parties. The tribunal reaches its decisions by majority of votes.

8. Each Contracting Party shall bear the cost of its own member of tribunal, according to their part in arbitral proceedings.

The cost of Chairman and other expenses shall be covered in equal parts by the Contracting Parties. The tribunal may determine more higher part in covering expenses for one of the Contracting Parties, and its decision shall be binding for each Contracting Party.

9. Decisions of the Tribunal shall be final and binding for Contracting Parties.

Article 10. Settlement of Disputes between the Contracting Party and Investor of the other Contracting Party

Each Contracting Party with the present Agreement gives its consent to the settlement of any dispute, arising between one of the Contracting Parties and investor of another Contracting Party, related to investments made in the territory of one of Contracting Parties by the International Center for the Settlement of Investment Disputes, set up by the Convention on the Settlement of Investment Disputes between States and Nationals of other States open for signature at Washington on March 18, 1965. Investors of one of Contracting Parties, who before arising dispute were controlled by investor of another Contracting Party, in accordance with Article 25 (2-b) of the Convention, shall have same rights, as investors of other Contracting Party.

Article 11. Applicable Regulations

1. If the contrary is not provided by the present Agreement, all investments, in accordance with the present Agreement shall be regulated by the legislation, acting in the territory of the state of one of the Contracting Parties, where investments are made.

2. Notwithstanding provisions of the paragraph 1 of the present Article nothing shall restrict the receiving Contracting Party to apply measures to protect its vital interests and security or in the case of emergency, taken in accordance with its legislation and on the non-discriminatory basis.

Article 12. Previous Investments

The present Agreement shall apply to investments of investors of the state of one of the Contracting Parties, made in the territory of the state of the other Contracting Party in accordance with its laws in force whether made before or after the date of entry into force of the present Agreement.

Article 13. Insertion of Changes and Additions

Changes and additions may be inserted in the present Agreement by written agreement of the Contracting Parties.

Article 14. Entry Into Force, Duration and Termination

1. Contracting Parties shall exchange notes on completion of legal proceedings, due to national laws of each Contracting Parties, with regard to entry into force of present Agreement.

This Agreement shall enter into force on the date of the latter notification.

2. This Agreement shall remain in force for a period of ten years. Thereafter it shall be automatically extended for the further period of five years, unless notice of termination is given by either Contracting Party at least twelve months before the expiry of its period of validity.

3. In the case of denouncement of the present Agreement, provisions of Articles 1-12, shall remain in force for the further period of ten years, in respect of investments, made before such denouncement.

Done at Tashkent on «18» July 2000, in two original copies, each in the Bengalee, Uzbek and English languages, all texts being equally authentic.

The text in English language shall prevail in case of difference of interpretation.

For the Government of the People's Republic of Bangladesh

For the Government of the Republic of Uzbekistan

