Agreement between the Government of the Republic of Azerbaijan and the Government of the Republic of Macedonia on mutual protection of investments

The Government of the Republic of Azerbaijan and the Government of the Republic of Macedonia, hereinafter referred to as the "Contracting Parties",

With the intention to strengthen economic cooperation for the mutual benefit of both Contracting Parties and to maintain (establish) fair and impartial conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that, under this Agreement, the protection of the investments of one Contracting Party in the territory of the State of the other Contracting Party and the promotion of bilateral investments will give rise to business initiatives;

With the intention of acting in a manner consistent with the protection of human health, safety and the environment, including the promotion of sustainable development, in order to achieve these goals;

Have agreed on the following:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means any type of asset which is directly established by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the national law of the State of the last Contracting Party, in particular:

a. movable and immovable property, mortgages, pledge rights, pledges, leases, usufruct and other similar property rights;

b. the company or shares, stocks or any other form of participation in the company;

c. monetary claims arising from a commercial contract for the sale of goods and services and claims for activities that have a financial value on the basis of a monetary, monetary claim or contract, except for the extension of a loan under a commercial contract;

d. intellectual property rights such as patents, copyrights, technical processes, trademarks; rights to industrial property, including the indication of the place of origin of goods (commodities), trade names, "know-how" and "goodwill" (business reputation), as well as other rights recognized in accordance with the national legislation of the Contracting Parties;

e. concessions granted by a competent authority on the basis of a law, administrative act or contract, including concessions for the exploration, development, extraction or exploitation of natural resources.

2. The term "investor" means an investor in the territory of another Contracting Party in accordance with the national legislation of that State:

a. Any natural person who is a national of a Contracting Party in accordance with its national law; or

b. A legal entity is a company or other enterprise registered or established in accordance with the national law of a Contracting Party and located in the territory of that Contracting Party and carrying out real business activities. This notion does not apply if the investment is owned or controlled by a national of a State to which the Contracting Party has no diplomatic relations.

3. The term "return" means the amounts received from investments and, in particular, but not limited to, profits, interest, dividends, royalties, capital gains or any payments related to investments.

The initial investment regime will be applied to income.

4. The term "territory" means:

a. In relation to the Republic of Azerbaijan - the territory of the Republic of Azerbaijan, including the relevant sector of the Caspian Sea, over which the Republic of Azerbaijan exercises its sovereign rights and jurisdiction in accordance with its national legislation and international law.

b. In relation to the Republic of Macedonia - the territory of the Republic of Macedonia, including land, water and airspace, in which it exercises its sovereign rights and jurisdiction in accordance with international law.

5. Any change in the form of investment or reinvestment of assets shall not affect the nature of the investment unless it contradicts the provisions of this Agreement and the national law of the receiving State.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall, in accordance with its domestic law, encourage and accept investments from investors of the other Contracting Party in its territory.

2. Each Contracting Party shall at all times apply a fair and impartial treatment to the investments of investors of the other Contracting Party in the territory of its State in accordance with its national law and shall ensure their full and permanent protection and security.

3. Each Contracting Party shall not endanger the management, maintenance, use, use, sale of investments of investors of the other Contracting Party in the territory of its State without cause, unreasonableness or discrimination.

4. Neither Contracting Party shall impose coercive measures or other unreasonable and discriminatory rules on the acquisition of materials, means of production, operations, transportation, marketing of products in respect of investments of investors of the other Contracting Party.

5. Each Contracting Party shall, within the framework of its national law, consider in good faith the applications for the necessary investment permits in its territory, including those of the investor's choice of executives, managers, specialists and technical personnel.

Article 3. Access and Transparency of Investor Information

A Contracting Party shall have the right to obtain information about a potential investor from the other Contracting Party on its corporate governance history and current experience as an investor. The Contracting Party shall not disclose confidential business information obtained. A Contracting Party may disclose the information obtained at the place where the investment is to be made, subject to the protection of confidential business information and other requirements of national law.

Article 4. Treatment of Investments

1. In respect of investments by investors of one Contracting Party in the territory of the other Contracting Party or returns related thereto, a regime not less favourable than that imposed by the receiving Contracting Party in respect of investments and profits by its own investors or investors of any third state (whichever is more favourable to the investor) shall be applied.

2. In connection with the management, maintenance, use, benefit and sale of investments in relation to investors of one Contracting Party, a regime not less favourable to the other Contracting Party in relation to its investors or investors of any third state (whichever is more favourable to the investor) shall be applied in similar cases.

3. The provisions of this Agreement shall not be construed as obliging one Contracting Party to extend to investors of the other Contracting Party any regime, privilege or privilege based on the following:

a. Any existing or future free trade zone, customs union, common market or regional labour base agreement to which one of the Contracting Parties is or may become a member;

b. any international treaty or agreement relating to full or partial taxation; or

c. Any multilateral investment convention or agreement to which one of the Contracting Parties is or may be a party.

4. Notwithstanding paragraphs 1 to 3 of this Article, the most favourable treatment does not apply to the investor's right to seek any dispute resolution procedure arising out of this Agreement.

Article 5. Expropriation

1. Investments of investors of one Contracting Party in the territory of the state of the other Contracting Party shall not be subjected to expropriation, nationalization or nationalization, or to any other measures having an equal effect, either directly or indirectly, (hereinafter referred to as "expropriation"), except in accordance with national law and in accordance with the requirements of public interest, no discrimination, and prompt, adequate and effective compensation. Such compensation shall be equal to the fair market value of the expropriated investment before the expropriation has taken place or as soon as is known to the public, whichever is earlier. This market value will be expressed based on the market exchange rate applied to this currency on the day of the transfer. The compensation will also include interest on the market-based commercial rate for that currency from the time of expropriation to the time of actual payment.

2. Investors whose investments have been expropriated shall have the right to prompt review of the case and the valuation of their investments in accordance with the principles set forth in this Article by the competent court or other competent authority of the Contracting Party which has received the investment.

Article 6. Compensation

1. If investors of each Contracting Party suffer damage as a result of war or other armed conflicts, emergency, revolt, insurrection or natural disaster on the territory of the other Contracting Party, the latter Contracting Party shall apply, in respect of such investments, a regime which is no less favourable to the investor than that which is applicable to its own investors and investors. These payments must be transferred in an effective, freely convertible currency and without delay.

2. Notwithstanding paragraph 1 of this Article, in respect of an investor of one Contracting Party who is a national of the other Contracting Party, the latter contracting party shall, in any event, suffer losses in the territory of the other Contracting Party as a result of::

a. the confiscation of part or all of its investment by the Armed Forces or authorities of the latter; or

b. the destruction of a full or part of its investment by the Armed Forces or authorities of the latter, without requiring the necessity of the situation;

In all cases, adequate and effective restitution or compensation will be provided without delay.

Article 7. Transfers

1. In accordance with its national law, each Contracting Party shall, in good faith, ensure for investors of the other Contracting Party the free transfer of capital-related payments to and from the territory of its own State. Such payments include in particular, but not limited to:

a. principal and additional amounts to maintain, develop or increase investment;

b. returns;

c. payments under contracts, including debt-related investment agreements;

d. royalties and payments;

e. proceeds from the full or partial sale or alienation of capital;

f. Compensation to be paid in accordance with Articles 5 and 6;

g. income of citizens of one Contracting Party permitted to work in connection with the investment in the territory of the other;

h. payments related to management costs;

i. payments arising from the settlement of the dispute.

2. Transfers shall be made without delay in a freely convertible currency and at the market rate applicable on the day of the transfer. If a market rate does not exist, the most recent exchange rate for the conversion of currencies into "Special Drawing Rights" will be used as the applicable exchange rate.

3. Notwithstanding paragraphs 1 and 2 of this Article, the receiving Contracting Party may delay or prevent the transfer by taking impartial, non-discriminatory and fair measures to determine its compliance with national law on:

a. payment of taxes and duties;

b. bankruptcy and bankruptcy proceedings or protection of creditors' rights;

c. criminal or other offenses;

d. The decisions or procedures of the courts and tribunals of the receiving Contracting Party.

Article 8. Subrogation

1. If a Contracting Party or its designated agency (guarantor) makes a payment in the territory of the other Contracting Party on the basis of a guarantee for the non-commercial risks of the investment, the receiving Contracting Party shall guarantee all rights and claims relating to such investment. The guarantor will recognize that it has the right to exercise such rights and requirements as the original investor.

2. The subrogated Contracting Party or its designated agency (guarantor) shall have and shall enjoy the same rights as the original investor in respect of such insured investments in accordance with the obligations of the investor.

Article 9. Settlement of Disputes between the Investor and the Host Contracting Party

1. Disputes arising in connection with an investment by an investor of one Contracting Party in the territory of the State of the other Contracting Party shall be notified by the investor to the Receiving Contracting Party in writing, with a detailed note. Any disputes between the Investor and the Receiving Party shall be settled by amicable agreement as far as possible. Unless otherwise agreed between the parties to the dispute, the place of negotiation shall be the capital of the Contracting Party which is a party to the dispute.

2. If the dispute cannot be settled within six months from the date of receipt of the written notification by the other Contracting Party, the investor shall have the option to submit the dispute to one of the following:

a. to the competent court of the State of the Contracting Party in whose territory the investment has been made;

b. To the "ad hoc" arbitral tribunal to be established in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL");

c. The International Center for the Settlement of Investment Disputes (ICSID), in accordance with the Convention for the Settlement of Investment Disputes between States and Citizens of Other States, declared open for signature in Washington on March 18, 1965, if each of the Contracting Parties is a party to that Convention.

3. An investor who has lodged a claim with a competent court of that Contracting Party or with another dispute resolution procedure previously agreed upon for the settlement of a dispute in respect of which the conduct or measures taken by a Contracting Party may give rise to a dispute, may not resort to any of the international arbitral tribunals mentioned in Paragraph 2 of this Article.

4. The dispute will be decided on the basis of:

a. the provisions of this Agreement;

b. the national law of the receiving Party, including its rules on conflict of laws;

c. recognized principles of international.

5. This decision will be final and binding on the parties to the dispute and the Contracting Party will be carried out in accordance with national legislation.

6. None of the Contracting Parties to the dispute may object at any stage of the arbitration proceedings or the award of the arbitral tribunal, that the opposing party has received full or partial compensation for its losses on the basis of insurance.

Article 10. Settlement of Disputes between the Contracting Parties

1. Disputes that may arise between the Contracting Parties concerning the interpretation and application of this Agreement

shall be settled, as far as possible, through negotiations and consultations through diplomatic channels.

2. If the disputes of the Contracting Parties are not settled within six (6) months from the date of their occurrence, the disputes shall be submitted to an Arbitral Tribunal in accordance with this Article upon the request of the Contracting Parties.

3. Such an Arbitral Tribunal shall be established for each individual case in the following order. Within two (2) months from the date of receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. These two members shall then, with the consent of both Contracting Parties, elect a national of a third State to be appointed President of the Tribunal. The Chairman shall be appointed within four (4) months after the appointment of the other two members.

4. If the necessary appointments are not made within the time limits referred to in paragraph 3 of this Article, in the absence of another agreement, either Contracting Party may invite the President of the International Court of Justice to make any necessary appointments. If the President is a national of either Contracting Party or is unable to perform this function for any reason, a subsequent member of the International Court of Justice, who is not a national of either Contracting Party and may perform this function, shall be invited to make the necessary appointments.

5. Unless otherwise agreed between the Contracting Parties, the Arbitral Tribunal shall determine its own rules of procedure. The Arbitral Tribunal shall render its decision on the basis of this Agreement and in accordance with the rules of international law applicable between the Contracting Parties. The Arbitral Tribunal shall make its decision by a majority of votes.

6. The decisions of the Arbitral Tribunal shall be final and binding on both Contracting Parties.

7. Each Contracting Party shall bear the costs of representing its designated member and himself in the proceedings. The expenses of the Chairman and other general expenses shall be shared equally between the Contracting Parties.

Article 11. Consultations and Exchange of Information

The Contracting Parties shall, at the request of either of them, resolve any dispute arising between them in connection with this Agreement or consider any matter relating to the implementation or application of this Agreement, or any other matter arising out of this Agreement. agree to hold urgent consultations to study the issue. Such consultations shall take place between the competent authorities of the Contracting Parties at the place and time agreed upon between the Contracting Parties through diplomatic channels.

Article 12. National Security Interests

1. This Agreement shall not be construed as preventing the Contracting Parties from taking the following measures which are essential to their national security interests:

a. in international relations or during war, armed conflict or other emergencies in the territory of a Contracting Party;

b. in connection with the implementation of national nuclear non-proliferation policies or international agreements;

c. In connection with the fulfillment of obligations to maintain international peace and security in accordance with the Charter of the United Nations,

d. measures related to the fulfilment of public requirements. Exceptions to social requirements cover only those issues that pose a serious threat to one of society's most important interests.

2. Significant security interests of a Contracting Party may include interests arising from its membership in a customs, economic or monetary union, common market or free trade area.

Article 13. Other Rules

If, in addition to this Agreement, the provisions of the national law of any Contracting Party or the existing or future obligations of the Contracting Parties under international law apply to the treatment of investments made by investors of the other Contracting Party, the regime provided by this Agreement if it establishes a general or special rule, those provisions shall prevail over this Agreement to the extent that they are more favourable to the investor.

Article 14. Application of the Agreement

The provisions of this Agreement shall apply to investments made by investors of the other Contracting Party in the territory of the other Contracting Party before or after the date of entry into force of this Agreement in accordance with the national legislation of the other Contracting Party. However, this will not apply to any disputes or claims arising out of investments made prior to the entry into force of this Agreement.

Article 15. Additions and Amendments

By mutual consent of the Contracting Parties, this Agreement may be amended and supplemented by separate Protocols, which shall form an integral part thereof and shall enter into force in accordance with Article 16 of this Agreement.

Article 16. Entry Into Force, Duration and Termination

1. This Agreement shall enter into force on the date of receipt of the last written notification by the Contracting Parties to each other through diplomatic channels of the completion of the internal procedures necessary for its entry into force.

2. This Agreement shall remain in force for a period of ten (10) years and shall remain in force for a further period of ten (10) years unless one Contracting Party notifies the other Contracting Party in writing of its intention to terminate it one year before the end of the first or next decade. .

3. In respect of investments made prior to the date of termination of this Agreement, the terms of its other articles shall remain in force for a period of ten (10) years from the date of termination of this Agreement.

In witness whereof the undersigned, being duly authorized thereto, have signed this Agreement.

This Agreement is signed in Baku on April 19, 2013 in two originals, each in the Azerbaijani, Macedonian and English languages, all texts being equally authentic. In case of divergence of interpretation and application of this Agreement, the English text shall prevail.

For the Government of the Republic of Azerbaijan

(signed)

For the Government of the Republic of Macedonia

(signed)