

# **Agreement between the Government of the Republic of Bulgaria and the Republic of Armenia for the Promotion and Reciprocal Protection of Investments**

The Government of the Republic of Bulgaria and the Republic of Armenia, hereinafter referred to as "contracting parties"

Desiring to develop mutually beneficial economic cooperation

In an effort to encourage and create favorable conditions for investment by investors of either Contracting Party in the territory of the other Contracting Party on the basis of mutual benefit and reciprocity,

Recognizing that the promotion and reciprocal protection of investments under this contract stimulate initiatives in this field, they have agreed as follows:

## **Article 1.**

For the purposes of this Agreement:

1. The term "investment" means investment made in the following forms:

- a) ownership and other property rights and real securities such as mortgage and pledge, etc.;
- b) shares, stocks or other forms of participation in enterprises, companies and associations;
- c) claims to money and other rights having an economic value;
- d) copyright and related rights, rights in the field of industrial and intellectual property rights (such as patents, licenses, industrial designs, trademarks and trade names, technical processes, know-how and goodwill);
- e) rights to carry out business activities conferred on the basis of law, contract or act of a competent authority, and - especially for the rights to prospect, develop and exploit natural resources.

A subsequent change of the form in which the investments were made will not affect their qualification as investments, provided that this change does not contradict the law of the Contracting Party in whose territory the investment was carried out.

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

- a) a person who is a national of one of the contracting parties in conformity with its legislation;
- b) any enterprise, company, organization or association established in accordance with the legislation of one Contracting Party and situated on its territory, regardless of whether or not a legal entity.

3. The term "returns" means amounts resulting from the investment, profits, dividends, interest and other legitimate income from them.

4. The term "territory" means the territory under the sovereignty of the Republic of Bulgaria on the one hand, and the Republic of Armenia, on the other hand, including the territorial sea and continental shelf and exclusive economic zone over which the State exercises sovereign rights and jurisdiction in accordance with international law.

## **Article 2.**

1. Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party and admit such investments in accordance with its national law.

2. Each Contracting Party shall ensure in accordance with their laws fully protect the investments of investors of the other Contracting Party.

3. Income from investments and, in the case of reinvestment - the revenue from reinvestment shall enjoy the same protection as the initial investments.

4. Each Contracting Party shall consider favorably and in accordance with its legislation questions concerning entry, stay, work and movement in its territory of nationals of other Contracting Party who carry out activities related to investments as defined in this contract, as well as their family members living in one household.

### **Article 3.**

1. None of the Parties shall not grant to investments made in its territory by investors of the other Contracting Party regime, - less favorable than that granted to investments of its own investors or to investments of investors of any third country.

2. None of the Parties shall not grant to investors of the other Contracting Party in respect of activities related to maintenance, use and management of their investments in the territory of the first Contracting Party regime, - less favorable than that that provides its own investors or investors of any third state, depending on which mode is - favorable.

3. The provisions of par. 1 and 2 of this Article shall not cover the advantages that the Contracting Party provides or will provide in the future to investors of a third State in relation to:

a) participation in, or association with any existing or future customs union, free trade area, economic communities or similar institutions, or

b) agreements on avoidance of double taxation.

4. Each Contracting Party reserves the right to make in accordance with the law exceptions to the national treatment granted under par. 1 and 2 of this Article. Any new exception will apply only to investments made after the entry into force of this exception.

5. If one of the Contracting Parties in accordance with its laws or international treaties to which both Parties are parties, provides investment by investors of the other Contracting Party and related activities regime, - favorable than envisaged in this contract, it applies - favorable regime.

### **Article 4.**

Contracting Party in whose territory the investments by investors of the other Contracting Party suffer losses due to war or other armed conflict, state of emergency or other similar events give such investors treatment no - less favorable than that provided to investors of any third state.

### **Article 5.**

1. Investments of investors of either Contracting Party made in the territory of the other Contracting Party shall not be expropriated or nationalized, except where such measures are taken for particularly important needs of the country, in the statutory order non-discriminatory basis and accompanied by payment of the advance and adequate compensation.

The same conditions will apply also when crossing the investments in public property placed under public control, as well as any other deprivation of property rights of investors of either Contracting Party by sovereign measures involving consequences are equivalent to nationalization.

2. The compensation shall amount to the market value of the nationalized investment immediately before the entry into force of the act of nationalization, paid without delay and includes an annual interest rate equal to the 12 - month rate (TSVOK) for the freely convertible currency in which They made investments to date of payment. Any decrease in value as a result of public disclosure of withdrawal will be taken into account in determining the amount of due compensation. The payment of such compensation shall be freely transferable.

### **Article 6.**

1. Each Contracting Party shall permit investors of the other Contracting Party, after fulfillment of all tax obligations unhindered transfer of payments related to investments and in - particular:

- a) the amount of the original investment and additional amounts poddarzhaneili increase the investment;
- b) income under par. 3 Art. 1 of this contract;
- c) the amounts received by the investor as a result of the sale or total or partial liquidation of the investment;
- d) amounts required for the payment of costs arising from the operation of the investment, as iztslashtane loans, payment of patent fees, payment of other costs;
- e) compensation in accordance with Art. 5 of this contract;
- f) wages and other remuneration received by nationals of the other Contracting Party for work or services rendered in connection with investments made in the territory of the former Contracting Party, the amount and conditions laid down by its legislation.

2. The transfers of payments referred to in paragraph. 1 of this Article shall be made without delay, in freely convertible currency or in mutual dogovorenst the parties in any other convenient for the investor currency prevailing on the date of transfer official exchange rate of the Contracting Party in the territory of which is made investment.

3. In accordance with the legislation of each Contracting Party all transfers subject to this Article shall enjoy no - less favorable treatment than transfers made by investors of any third state.

## **Article 7.**

1. If a Contracting Party makes payment to its investor Zillethai contract of guarantee or insurance entered into in connection with the investment, the other Contracting Party shall recognize the transfer of the former Contracting Party of the rights and obligations of the investor. Contracting Party which has taken the rights of the investor has the same rights as the investor osvenpo the obligations of the investor associated with insured thus investments.

2. In the case of subrogation provided in par. 1 of this article, the investor can not make claims unless authorized by the Contracting Party.

## **Article 8.**

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

2. If the dispute can not be settled in this way within six months from the start of negotiations, it may be submitted at the request of either Contracting Party to an arbitral tribunal.

3. The arbitral tribunal is constituted for each individual case in the following way: within three months from the date of receipt by either Contracting Party of the notice of submission of the dispute to arbitration each Contracting Party shall appoint one member of the tribunal. These two members within two months elect a third arbitrator - a third that with the consent of the Contracting Parties shall be appointed Chairman of the tribunal.

4. If the arbitral tribunal be set up within the time limits set in par. 3 of this Article, either Contracting Party may, in the absence of any other agreement, to propose the President of the International Court of Justice to make the necessary appointments. If the President is a citizen of one of the contracting parties or otherwise can not perform the said function, it can make the necessary appointments may be offered to the next most senior member of the International Court of Justice who is not a citizen of either Contracting Party.

5. The President and members of the court must be nationals of countries with which both Contracting Parties maintain diplomatic relations.

6. The arbitral tribunal decision on the basis of the provisions of this Agreement and on the basis of generally accepted principles and norms of international law. The same shall reach its decision by majority vote. This decision will be final and binding on both parties. The court shall determine its own procedure.

7. Each Contracting Party shall bear the costs related to the operation of appointments by its member of the tribunal and its representation in the arbitration process. Costs associated with the activities of the Chairman and the remaining costs shall be borne equally by the Parties.

## **Article 9.**

1. Disputes between an investor of one Contracting Party and the other Contracting Party regarding the obligations of the latter under this Agreement and arising in connection with an investment by an investor of the first Contracting Party shall serazreshavat possible through negotiations.
  2. If the dispute can not be settled in this way within six months from the time of its occurrence, it can be submitted to the competent court or tribunal of the Contracting Party in whose territory the investments are made.
  3. Any dispute relating to art. 5 and 6 of this contract can be submitted for consideration by the arbitral tribunal "ad hoc" in accordance with the Arbitration Rules of the Commission of the United Nations on International Trade Law (UNCITRAL), provided that the investor has not exercised its right claim in accordance with paragraph. 2 of this article. For this purpose each Contracting Party shall declare its consent to the use of the aforementioned international arbitration procedure.
  4. The arbitral tribunal shall take its decision based on the law of the Contracting Party in whose territory the investment provisions of this Treaty and generally accepted principles and norms of international law.
  5. The decision of the arbitral tribunal shall be final and binding on both parties to the dispute and will be enforced in accordance with the law of that Contracting Party in whose territory the investment.
  6. Each party to the dispute will bear the costs associated with the activities of appointed her a member of the court and its representation in the arbitration process. Costs associated with
- The activities of the president of the court, and the remaining costs will 6adat borne equally by the parties to the dispute.

## **Article 10.**

The representatives of the Contracting Parties shall into consultations when necessary, on all matters concerning the interpretation or application of this Agreement. Those into consultations were held on the proposal of one of the contracting parties and the place and time of the consultation will be agreed through diplomatic channels.

## **Article 11.**

This Agreement shall apply to all investments made by an investor fir Contracting Party in the territory of the other Contracting Party both before and after the entry into force of this Treaty.

## **Article 12.**

1. This Treaty shall be ratified and enter into force 30 days after the date on which the Parties have notified each other in writing that their respective constitutional procedures, and shall remain in force for a period of 15 years.
2. If twelve months before the expiry of fifteen years neither Contracting Party notifies in writing the other Contracting Party of its intention to terminate deystvyeto of this contract shall be automatically extended for successive periods. The contract may be terminated if one of the Contracting Parties written notice to the other Party at least twelve months before the date of expiry of the five year period.
3. In respect of investments made prior to the date of termination of this Agreement, the provisions of Art. 1 to 11 shall remain in force for a further period of ten years after that date.

DONE in Sofia on 10.IV.1995, in two originals, each in the Bulgarian, Armenian and Russian languages, all texts being equally authentic. In the event of disputes relating to the interpretation of this Agreement prevail in Russian.