Agreement between the Government of the Republic of Moldova and the Government of the Republic of Bulgaria on mutual promotion and protection of investments

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

Wishing to strengthen mutually beneficial economic cooperation, tending to stimulate and create favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party, on the basis of equal rights and mutual benefit,

Recognizing that the mutual stimulation and protection of investments in accordance with this Agreement will contribute to the stimulation of constructive initiative in this field,

Have agreed as follows:

Article 1.

For the purposes of this Agreement:

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

a) the property right and the limited patrimonial rights over the real estate property, as well as the real insurances such as mortgage and pledge or other similar rights;

b) shares, shares or other forms of participation in companies and commercial enterprises;

c) receivables, as well as all other rights having economic value;

d) copyright and related rights, industrial and intellectual property rights (patents, licenses, industrial samples, trademarks, name of places of origin), technical processes, know-how and goodwill;

e) the rights to carry out economic activities offered by law, contract or act of a competent state body, including, in particular, the rights to explore, develop and exploit natural resources.

The subsequent modification of the form of investments, in which they were made, shall not influence their classification as investments provided that such modification does not contradict the legislation of the Contracting Party in whose territory they were made.

2. The term "income" includes all amounts obtained from investments such as: profit, dividends, percentages and other legitimate amounts.

3. The term "investor" means:

a) in relation to the Republic of Moldova:

- the natural person, who is a citizen of the Republic of Moldova in accordance with its legislation in force;

- any enterprise, organization or association established in accordance with the legislation of the Republic of Moldova and located on its territory, regardless of whether they are legal entities;

b) concerning the Republic of Bulgaria:

- the natural person, who is a citizen of the Republic and Bulgaria in accordance with its legislation in force;

any company, organization or association established in accordance with the law of the Republic of Bulgaria and situated in its territory, whether or not it is a legal person.

4. The term "territory" means the territory of the Republic of Bulgaria and the territory of the Republic of Moldova including territorial waters, as well as the continental shelf and the exclusive economic zone over which the Contracting Parties exercise sovereign rights and jurisdiction in accordance with international law.

Article 2.

1. Each Contracting Party shall stimulate and protect in its territory the investments of the investors of the other Contracting Party and shall admit such investments in accordance with its legislation, granting them a fair and impartial regime.

2. Income from investments, and in case of repeated investment (reinvestment) - income from repeated investments (reinvestment), will enjoy the same protection as the initial investments.

3. Each Contracting Party shall have a favourable attitude, in accordance with its own legislation, to questions relating to the entry, location, activity and movement in its territory of nationals of the Contracting Party who carry out activities related to investments made in the territory of the first Contracting Party; of their family members who live in the same household as them.

Article 3.

1. Neither Contracting Party shall accord to investments made in its territory by investors of the other Contracting Party less favourable treatment than that accorded to the investments of its own investors or investors of any third State, whichever is more favourable.

2. Neither Contracting Party shall accord to investors of the other Contracting Party, in connection with the business connected with the maintenance, use and management of the investment in the territory of the first Contracting Party, less favourable treatment than that offered to its own investors or investors of any third State. depending on which of them is more favourable.

3. The provisions of points 1 and 2 of this Article shall not affect the facilities which the Contracting Party grants or will subsequently grant to investors of any third State by virtue of:

a) participation in and/or association with any present or subsequent customs union, free trade area, economic communities or other similar forms of economic integration;

b) participation in agreements on the avoidance of double taxation.

4. Each Contracting Party shall reserve the right, in accordance with its own legislation in force, to derogate from the national treatment granted in accordance with points 1 and 2 of this Article. Any new derogation shall, however, apply only to investments made after the entry into force of that derogation.

If one of the Contracting Parties in accordance with its own legislation or an international agreement, in which both Contracting Parties participate, grants to investors of the investments of the other Contracting Party and to the activity related to said investments a more favourable regime than that provided for in this Agreement, the more favourable treatment will be applied.

Article 4.

The Contracting Party, in whose territory the investments of the investors of the other Contracting Party have been affected as a result of war, uprising or other armed conflicts, the introduction of an exceptional situation or other similar circumstances, shall offer such investors a regime no less favourable than the one, which it grants in analogous circumstances to its own investors or to the investors of any third state, depending on which of them is more favourable.

Article 5.

1. Investments of investors of one of the Contracting Parties carried out in the territory of the other Contracting Party, may not be subject to expropriation, nationalization or other equivalent measures as a result of the consequences of expropriation or nationalization (hereinafter referred to as nationalization), unless such measures they are adopted for extremely important needs of the state, in the manner established by law, are not discriminatory and are accompanied by

the payment of adequate compensation.

2. The conditions laid down in point 1 of this Article shall be equally binding in the case of the transfer of investments in public property or public control, as well as in the case of any other restriction or deprivation of the right of investors of one Contracting Party in the territory of the other. Contracting Parties by the implementation of the sovereign measures by the latter, which, through its consequences, is equivalent to nationalisation.

3. The compensation must correspond to the market value of the nationalized investments immediately before the entry into force of the nationalization act, be paid without withholding and include annual percentages equivalent to the 12-month percentage share (LIBOR) in the corresponding freely convertible currency, in which the investments are made until the time of payment. Any decrease in value following the publicly declared seizure will not be taken into account when determining the amount of compensation due. Payment of this compensation will be freely transferable.

Article 6.

1. Each Contracting Party shall grant to the investors of the other Contracting Party, once they have fulfilled all their fiscal obligations, the right to freely transfer payments related to the investments and in particular:

a) the amounts of the initial investments and the additional amounts destined to support or increase the investments;

b) income from investments;

c) the amounts received following the total or partial liquidation of the investments;

d) the amounts necessary for the payment of the expenses resulting from the operation of the investments, such as the payment of the loans, the payment of the patent fees, the payment of other expenses;

e) compensation in accordance with Article 5 of this Agreement;

f) salaries and other fees received by nationals of the other Contracting Party for work and services rendered in connection with investments made in the territory of the first Contracting Party in the amount and manner established by its legislation.

2. The transfer of payments referred to in point 1 of this Article shall be effected without delay in freely convertible currency at the exchange rate in force of the Contracting Party in whose territory the investments were made.

3. In accordance with the legislation of each Contracting Party, all transfers which are the subject of this Article shall be treated no less favourably than transfers made by investors of any third State.

Article 7.

If one of the Contracting Parties makes a payment to its own investor on the basis of a guarantee agreement concluded in connection with its investments made in the territory of the other Contracting Party, the latter, by virtue of the principle of subrogation, shall recognize the transfer of rights and obligations. Contracting Party. Subrogation for the purposes of this Article shall also affect the right of transfer provided for in Article 6 of this Agreement. The Contracting Party making the payment shall not be able to obtain more rights and obligations than the investor, which shall form part of the guarantee agreement.

Article 8.

1. All disputes arising between the Contracting Parties concerning the interpretation or application of the provisions of this Agreement shall be settled, to the extent possible, through negotiations between the Contracting Parties.

2. If the dispute between the Contracting Parties cannot be settled in such a manner within six (6) months from the commencement of negotiations, at the request of either Contracting Party, it may be referred for examination to an arbitral tribunal.

3. The said arbitral tribunal shall be established for each individual case as follows: within three months of receipt of the request for arbitration, each Contracting Party shall appoint a member of the tribunal. These two members of the tribunal shall elect a national of a third State, who, after approval by both Contracting Parties, shall become the chairman of the tribunal. The chairman of the arbitral tribunal shall be appointed within two months of the appointment of the other two members of the tribunal.

4. If within the time limits indicated in Article 3 of this Agreement the necessary appointments have not been made, then, in

the absence of another agreement, each Contracting Party shall have the right to address the President of the International Court of Justice with a request to make such appointments. If the President of the Court is a national of one of the Contracting Parties or, for any other reason, is unable to perform the said function, the request to make the necessary appointments may be addressed to the Vice-President of the International Court of Justice. If the Vice-President is a national of one of the Contracting Parties or is unable to perform the said function, the request to make the necessary appointments may be addressed to the next member in his capacity as a member of the International Court of Justice,

5. The President and the members of the arbitral tribunal shall be nationals of the States with which both Contracting Parties have diplomatic relations.

6. The arbitral tribunal shall render its ruling on the basis of the provisions of this Agreement, as well as on the basis of the unanimously accepted principles and norms of international law. It shall give its decision by a majority of votes. Such a decision is final and binding on both Contracting Parties. The court independently determines its own way of working.

7. Each Contracting Party shall bear the expenses related to the activity of the member of the tribunal appointed by it and of its representation in the arbitration process. The expenses related to the activity of the President of the Court, as well as other expenses, shall be borne equally by the Contracting Parties.

Article 9.

1. Disputes between the investor of a Contracting Party and the other Contracting Party concerning obligations arising out of this Agreement and arising in connection with the investments of the said investor in its territory shall be settled, as far as possible, by negotiation.

2. If the dispute cannot be settled in this way within six months of its occurrence, it may be referred for examination:

- or, to a competent court of the Contracting Party, which is a party to the dispute;

- or, in the event of disputes under Articles 5 and 6 of this Agreement, for settlement:

a) to the "ad-hoc" arbitral tribunal in accordance with the Rules of Arbitration of the United Nations Commission on International Trade Law (UNCITRAL);

b) The International Center for the Settlement of Investment Disputes (ICSID), established under the Convention on the Settlement of Investment Disputes between States and Citizens of Other States of March 18, 1965, in the event of the accession of both Contracting Parties to the said Convention.

3. The decision of the arbitral tribunal shall be final and binding on both parties to the dispute. The commissioning of the decision shall be carried out in accordance with the legislation of the Contracting Party, in whose territory the investments were made.

4. Each of the Contracting Parties shall bear the expenses related to the activity of the member of the tribunal appointed by it and his representation in the arbitration process, and the expenses related to the activity of the President of the tribunal, as well as other expenses shall be borne equally by the Contracting Parties.

Article 10.

Each Contracting Party has the right to propose to the other Contracting Party consultations on any matter concerning the interpretation or application of this Agreement. The other Contracting Party shall take all necessary measures to carry out the said consultations.

Article 11.

This Agreement shall apply equally to all investments made by investors of one of the Contracting Parties in the territory of the other Contracting Party until its entry into force.

Article 12.

1. This Agreement shall be subject to ratification and shall enter into force thirty days after the date of mutual notification in writing of the Contracting Parties' compliance with these internal procedures and shall be valid for fifteen years.

2. If neither Contracting Party notifies the other Contracting Party in writing, at least twelve months before the expiry of the

period of fifteen years, of its intention to suspend the validity of this Agreement, its validity shall be automatically extended for subsequent periods. every five years.

3. For investments made until the termination of this Agreement, the provisions of Articles 1 to 11 of this Agreement shall remain in force for a further period of ten years after that date.

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

Done at Sofia, this 17th day of April , 1996, in two originals, each in the Moldovan, Bulgarian and Russian languages, all texts being equally authentic. In the event of any dispute over the interpretation of this Agreement, the Contracting Parties shall be bound by the text in Russian.