

# **AGREEMENT between the Government of the Slovak Republic and the Government of the Republic of Uzbekistan on the Mutual Protection of Investments**

## **AGREEMENT**

Between the Slovak Republic and the Government of the Republic of Uzbekistan on the Promotion and Reciprocal Protection of Investments

The Government of the Slovak Republic and the Government of the Republic of Uzbekistan (hereinafter referred to as the "Parties"),

Desiring to intensify economic cooperation on the principle of mutual benefit to both countries.

Intending to create favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Conscious that the promotion and reciprocal protection of investments under such Agreement stimulates business initiatives in this field,

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. The term "investment" means every kind of assets invested in economic activities, investors of one Contracting Party in the territory of the other Contracting Party in accordance with its law and in particular, though not exclusively,

A) Movable and immovable property and all relevant substantive rights, such as mortgages, guarantees, liens and similar rights.

B) Shares, debentures of companies and any other form of participation in the assets of companies and enterprises;

C) Claims to money or claims for any activity having an economic value associated with the investment.

D) Rights of intellectual, industrial and commercial property such as: copyrights, trademarks, patents, licenses, industrial designs, "know-how", trade secrets, trade names and goodwill that are associated with the investment.

E) Rights conferred by law or existing contract, license or permit issued under the Act including those concerning concessions for the exploration, processing, extraction or exploitation of natural resources, including those situated in the territory of the Contracting Parties.

Any alteration of the form in which the values are invested does not affect their character as an investment.

2. The term "investor" means

A) Any "natural person" who is a national of a Contracting Party in accordance with its law,

B) Any "legal persons" registered and established in accordance with the law of the state of each of the parties and recognized as a legal entity.

Natural persons and legal entities made investments in the territory of the other Contracting Party in accordance with the law of the Parties.

3. The term "returns" means amounts yielded by an investment and in particular, though not exclusively, profits, interest, capital gains, shares, dividends, royalties and other fees.

4. The term "territory" refers to the national territory, over which the Contracting Party may exercise its sovereign rights or jurisdiction in accordance with international law.

## **Article 2. Investment Promotion and Protection**

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its territory and shall allow such investments, in accordance with its laws.

2. Investments of investors of either Contracting Party in the territory of the other Contracting Party shall at all times ensure fair and equitable treatment and will secure full protection and security in the territory of the other Contracting Party.

## **Article 3. National Treatment and Most Favoured Nation**

1. Each Party shall ensure in its territory to investments and returns of investors of the other Contracting Party treatment no less favorable than that it accords to investments or income of any third State.

2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards management, maintenance, enjoyment or disposal of their investments, treatment no less favorable than that accorded to the investors of its own State or investors of any third state.

3. The provisions of paragraphs 1 and 2 be construed so as to oblige one Contracting Party to investors of the other Contracting Party treatment or benefits that Contracting Party may provide by

A) Customs union, monetary union or a free trade area or similar international agreements, other forms of regional co-operation, each Contracting Party is or may become a member,

B) International agreement or arrangement relating wholly or mainly to taxation.

## **Article 4. Compensation for Losses**

1. When investments by investors of either Contracting Party suffer losses owing to war, armed conflict, a state of emergency, revolt, insurrection, riot or other similar events in the territory of the other Contracting Party, they shall be given treatment no less favorable than that accorded to its to its own investors or investors of any third state.

2. Notwithstanding paragraph 1, investors of one Contracting Party who in any of the events referred to in the preceding paragraph, suffer losses in the territory of the other Contracting Party, consisting of

A) Confiscation of their property by forces or authorities of the other Contracting Party,

B) Destruction of their property by forces or authorities of the other Contracting Party which was not caused in combat action or was not required by the necessity of the situation,

Be given a fair and adequate compensation for the damage suffered during the occupation and the destruction of property.

Resulting payments shall be freely transferable without delay in a freely convertible currency.

## **Article 5. Expropriation (nationalization)**

1. Investments by investors of either Contracting Party shall not in the territory of the other Contracting Party nationalized, expropriated or subjected to measures having an effect equivalent to nationalization in the territory of the other Contracting Party (the "nationalization"), except in the public interest. Nationalization is carried out according to the law on non-discriminatory basis and shall be accompanied by payment of a rapid, adequate and effective compensation. This compensation shall correspond to the fair (market) value of the nationalized investment immediately before the nationalization or than the future nationalization became public knowledge. Reimbursement shall be made without unreasonable delay in freely convertible currency will be freely transferable and will include interest calculated according to market interest rates from the date of nationalization to the effective implementation of compensation.

2. Damaged investor has the right to ask for an urgent review of the case and the valuation of their investments judicial or other independent authority of the Contracting Party in accordance with the principles contained in this Article.

3. The provision of paragraph 1 shall apply to cases where the party will nationalize the company's assets, enterprises and other economic entities that are registered or established in accordance with applicable law in any part of the territory of its own State, and in which investors of the other Contracting Party own shares.

## **Article 6. Transfer Payments**

1. The Parties shall ensure the transfer of payments related to investments and returns. The transfers shall be made in freely convertible currency, without any restriction and undue delay. Such transfers include in particular, but not exclusively

A) Profits, interest, dividends and other current income,

B) Funds in repayment of loans,

C) Royalties or other payments,

D) Profits from the sale of full or partial liquidation of investments;

E) Wage, which is paid to citizens of one Contracting Party in accordance with the investments undertaken within the territory of the other Contracting Party.

2. Transfer payments, which contemplated by this Article, will be made in freely convertible currency at the official rate at the time of the transfer and in accordance with the rules of the monetary policy of the Contracting Party in the territory of the State in which the investment is made.

## **Article 7. Subrogation**

1. If one Contracting Party shall in the territory of the other Contracting Party of any financial guarantees for commercial risks to investments by its own investors, recognized by the other Party assignment of the rights of the investor to the first Contracting Party on the basis of the principle of subrogation, if the payment to the guarantee took place first party.

2. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

## **Article 8. Settlement of Disputes between a Contracting Party and Investors of the other Contracting Party**

1. Any dispute which may arise between an investor of one Contracting Party and the other Party shall be subject to negotiation between the parties to the dispute.

2. If a dispute between an investor of one Contracting Party and the other Contracting Party can not be settled in such a way within six months, the investor has the right to submit the dispute either

A) International Centre for Settlement of Investment Disputes (ICSID) under the Convention on the Settlement of Investment Disputes between States and Nationals of other States (Washington, DC, March 18, 1965) in the event that both States Parties to this Convention;

B) Referee or "ad hoc" international arbitral tribunal under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). Parties to the dispute may agree in writing to modify those rules. The arbitration award shall be final and binding on the parties to the dispute.

## **Article 9. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation and applicability of this Agreement shall, if possible, be settled through consultations and negotiations.

2. If the dispute can not be thus settled within six months, will be at the request of either Contracting Party submitted for review to arbitration.

3. The arbitral tribunal shall in each case be constituted as follows. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. The two arbitrators shall then select a national of a third country to be with the consent of both parties appointed Chairman of the Tribunal (the "Chairman"). The Chairman shall be appointed within three months from the date of appointment of the two arbitrators.

4. If in any of the periods referred to in paragraph 3 has not taken the necessary appointment, either Party may request the

President of the International Court of Justice to perform the appointment. If the President is a national of either Contracting Party or any other reason unable to perform this role, the appointment of the Vice ask the International Court of Justice. If the Vice-President is a citizen of either Contracting Party or is unable to perform this task, the appointments may request the most senior member of the International Court of Justice who is not a national of either Contracting Party.

5.The tribunal shall reach its decision by majority vote. Such decision shall be binding. Each Contracting Party shall bear the costs associated with the operations of its own arbitrator and its participation in the arbitration proceedings. President of the costs and other expenses will be borne equally by both parties. The arbitral tribunal shall determine its own rules of procedure.

## **Article 10. Use Regulations**

In the event that some of the questions dealt with this Agreement and by another international agreement to which the parties are or will of both Contracting Parties, this agreement does not preclude that they are used favorable provisions of the international agreement.

## **Article 11. Applicability of this Agreement**

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party at the time prior to the signing and after the signing of this Agreement.

## **Article 12. Entry Into Force, Duration and Termination**

1. The Parties shall notify each other of the fulfillment of constitutional requirements for the entry into force of this Agreement. This Agreement shall enter into force on the day following receipt of the last note.
2. This Agreement is concluded for a period of ten years. It shall be automatically renewed unless one party one year before the expiration of this Agreement in writing notifies the other Party of its intention to terminate its validity.
3. For investments made prior to the expiry of this Agreement shall remain in force the provisions of this Agreement for the next ten years from the date of expiry.

DONE at Tashkent on 16 May 1995 in two originals, each in Slovak, Uzbek and Russian languages, all texts being equally authentic. In case of divergence of interpretation, the text in the Russian language.

For the Government of the Slovak Republic

Sergej Kozlík VR Government of the Republic of Uzbekistan

Utkir Sultanov vr