

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF BELARUS AND THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC promotion and mutual PROTECTION OF INVESTMENTS**

The Republic of Belarus and the Government of the Lao NarodnoDemokraticheskoy Republic, hereinafter referred to as the Contracting Parties,

Wanting to deepen economic cooperation for the mutual benefit of both countries,

Striving to create and maintain favorable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party, and

Recognizing that the promotion and reciprocal protection of investments on the basis of this Agreement will contribute to the development of business initiatives in both states,

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement, the following terms shall have the following meanings:

1. Investment - all kinds of assets invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the latest legislation and including, in particular, but not exclusively:
  - a) movable and immovable property, and any property rights such as, in particular, but not limited to, mortgages and liens;
  - b) the proportion of stocks, bonds or other forms of participation in a legal entity;
  - c) claims in respect of money or any performance obligations under the contract having an economic value;
  - d) intellectual property rights, including copyrights, patents, trademarks, industrial designs, geographical indications, and technical processes, trade secrets, trade names, know-how and goodwill, as well as other similar rights recognized by the law of the Contracting Parties;
  - e) concessions granted under the laws of the Contracting Party in whose territory the investment or according to the agreement by the competent authority, including the right to explore, develop, extract or exploit natural resources.
2. Income - the amount obtained by investments and, in particular, but not exclusively, include profits, dividends, interest, payments of royalties, capital gains or any payments in kind related to investments.
3. An investor in respect of each Contracting Party - any natural or legal person of that Contracting Party,

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To invest in the territory of the other Contracting Party:

- a) a natural person - any natural person who is a national of one of the Contracting Parties in accordance with its legislation;
- b) legal entity - any legal person created or organized and recognized as such in accordance with the law of the Contracting Parties and having their head office or exercising a major business and economic activities in the territory of that Contracting Party.

4. Territory in respect of each of the Contracting Parties - land, internal waters and territorial sea of the Contracting Party and the airspace above them, as well as the maritime areas beyond the territorial sea, including the seabed and subsoil, over which the government of that Contracting Party in accordance with its legislation and international law, exercises jurisdiction or sovereign rights for the purpose of research and development of natural resources in these areas.

5. Legislation in respect of each Contracting Party - the state law of the Contracting Parties.

## **Article 2. Promotion and Protection of Investments**

1. Each Contracting Party shall facilitate the implementation and creates favorable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its legislation.

2. Investments of investors of either Contracting Party has always provided fair and equitable treatment, as well as provides full protection and security in the territory of the other Contracting Party. Each Contracting Party shall in its territory will not circumvent by taking unreasonable or discriminatory measures the management, maintenance, use or disposal of investments of investors of the other Contracting Party.

3. Each Contracting Party shall comply with any commitment made with respect to investments by investors of the other Contracting Party.

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

1. Each Contracting Party shall provide in its territory for investments of investors of the other Contracting Party in regard to the management, maintenance, use, enjoyment or disposal of their investments treatment no less favorable than that which it provides under similar conditions in relation to investments of its investors or investments and returns of investors of any third state, depending on which of them, according to the interested investors, is the most favorable.

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2. Each Contracting Party shall provide in its territory to investors of the other Contracting Party in regard to the management, maintenance, use, enjoyment or disposal of their investments treatment no less favorable than that which it accords in similar conditions provides its investors or to investors any third state depending on which one of them, according to interested investors, is the most favorable.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party and their investments the benefits of any treatment, benefits or privileges that can be granted to the latter Contracting Party in force:

a) free trade agreement, customs union, common market, economic and monetary union or similar form of regional economic integration, to which the Contracting Parties is or may become in the future;

b) agreement for the avoidance of double taxation or other international agreement relating wholly or mainly to taxation.

## **Article 4. Expropriation**

1. Investments of investors of either Contracting Party in the territory of the other Contracting Party shall not be nationalized, expropriated, either directly or indirectly through any other action, the action which directly or indirectly equivalent to nationalization or expropriation (hereinafter - the expropriation), except in the public interest, on a non-discriminatory basis, in accordance with due process and in ensuring timely, adequate and effective compensation.

2. Establish whether the measure or set of measures by any of the Contracting Parties equivalent to expropriation, requires a detailed examination of the facts of each particular case, taking into account, inter alia, the following criteria:

a) the economic impact exerted by the measure or set of measures, given that the decline in the value of investments as a result of a measure or series of measures of itself does not prove the fact of expropriation;

b) whether the measure or series of measures taken by any Contracting Party, in violation of previous contracting party a written commitment with respect to the investor by the contract, license or other instrument;

c) the nature of the implemented measures or set of measures, including those in which they are implemented, as well as their degree of proportionality in the public interest.

3. Non-discriminatory measures, which are designed and used any one of the Contracting Parties in good faith in the

legitimate interest of the welfare of society, such as protection of public health, safety and the environment are not expropriation.

4. The compensation referred to in paragraph 1 of this Article, shall be paid without

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It should be effectively

Value at the time, preparing

Delay in a freely convertible currency, feasible and transferable without restriction.

Such compensation is the fair market

The expropriated investment at the time of expropriation or immediately preceding the disclosure of information about the expropriation, depending on whether that was the case before, and shall include interest at a commercial rate established on a market basis, calculated over a period of time starting from the expropriation date to the date of payment is not YBOK below with reference to the currency in which the investment has been made.

5. If a Contracting Party expropriates the assets or a part of a legal entity created or established in accordance with the applicable law of the Contracting Party in which investors of the other Contracting Party have made investments, including equity, investors of the other Contracting Party shall be guaranteed by the application of the provisions of this article to the extent necessary to ensure the timely, adequate and effective compensation in respect of their investment.

6. Without prejudice to the provisions of Article 8 of this Agreement, the investor whose investments are expropriated, shall have the right to prompt review of his case and an assessment of its investments in accordance with the principles set out in this Article, the judicial or other authorized state authority of the Contracting Party carrying out the expropriation.

## **Article 5. Indemnification**

1. Investors of one Contracting Party whose investments have suffered in the territory of the other Contracting Party losses owing to war or other armed conflict, a state of emergency, revolution, insurrection or revolt in the territory of the other Contracting Party, the latter Contracting Party in regard to the recovery of damages, compensation or other settlement, be accorded treatment no less favorable than that which the latter Contracting Party accords to its investors or to investors of any third state, depending on what is, in the opinion of the investor, the more favorable.

2. Without prejudice to paragraph 1 of this Article investors of one Contracting Party who in any of the situations referred to in this paragraph shall be in the territory of the other Contracting Party losses resulting from:

a) requisitioning of their investment fully or partially own or final authority; or

b) destruction of their investment fully or partially forces or authorities of the latter despite the fact that it was not caused by the necessity of the situation,

The latter Contracting Party will be given a refund or compensation, which in any case must be timely, adequate and effective compensation and must be carried out in accordance with paragraphs 4 - 6 of Article 4 of this Agreement tiSh1 ti1apd1.

## **Article 6.**

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Free translation

1. Each Contracting Party shall guarantee to investors of the other Contracting Party after the payment of the relevant taxes and duties free transfer of payments related to their investments, in particular, but not exclusively:

a) income as defined in paragraph 2 of Article 1 of this Agreement:

b) basic and additional contributions required for the maintenance or development of the investment;

c) the amount for the repayment of loans;

d) proceeds from the total or partial sale or liquidation of investments;

e) the compensation provided for by Articles 4 and 5 of this Agreement;

f) earnings of natural persons employed from abroad in connection with an investment under the law of the Contracting Party in whose territory the investment has been made.

2. Transfers referred to in this article shall be implemented without delay in a freely convertible currency at the prevailing at the date of transfer of the exchange rate in accordance with the applicable provisions of the exchange control legislation of the Contracting Party in whose territory the transfer is.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this article, a Contracting Party may delay or prevent the transfer through fair, equitable, non-discriminatory application of legislation related:

a) ensuring the integrity and stability of the financial system in accordance with the rights and obligations of the Contracting Parties, which are related to their membership in the International Monetary Fund (IMF) and are derived from the International Monetary Fund Articles of Agreement;

b) the bankruptcy, insolvency or the protection of the economic rights of creditors;

c) the issue, sale and circulation of securities;

g) criminal offenses;

e) social protection, public pension programs and programs of compulsory savings;

e) with the execution of court decisions;

g) to the financial statements, when necessary to assist law enforcement authorities or bodies of financial control.

## **Article 7. Subrogation**

If one Contracting Party or its designated agency makes a payment under the guarantee or contract of insurance in respect of investments of its investors in the territory of the other Contracting Party, the latter Contracting Party shall recognize the transfer of any rights or the right to claim such an investor of the first Contracting Party or its authorized body and right of the first Contracting Party or its designated agency to exercise the rights and the right to claim by virtue of the principle of subrogation to the same extent as the grantor.

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## **Article 8. Disputes between a Contracting Party and an Investor of the other**

Contracting Parties

1. Any dispute directly linked to investments between one Contracting Party and an investor of the other Contracting Party will be decided by peaceful means between the parties to the dispute.

2. If such a dispute can not be settled within three (3) months from the date of written notice of dispute settlement, the investor may submit the dispute for their choice:

a) to allow the competent courts of the Contracting Party in whose territory the investments were made; or

b) to arbitration in the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature 18 March 1965 in Washington, DC, if a Contracting Party of the investor, and the second Contracting Party are parties to the Convention; or

c) for consideration in accordance with the Rules of Procedure more ICSID that if either Contracting Party of the investor or the other Contracting Party, but not both of them are parties to the Convention ICSID or

d) a court of arbitration ad hoc, established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL); or

e) any other agreed upon by the parties to the dispute an international arbitration court ad hoc.

3. When transmitting the investor dispute to one of the instances referred to in subparagraphs a) - d) of paragraph 2 of this Article, the decision on the choice of court shall be final.

4. Any arbitral proceedings in accordance with this article will be carried out on the territory of the state - party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), opened for signature 10 June 1958 in New York. Arbitration in accordance with this article is not carried out on the territory of the Contracting Parties. Claims submitted for review to the court of arbitration in accordance with paragraphs d) and e) of paragraph 2 of this Article shall, for the purposes of Article 1 of the New York Convention be regarded as arising from business activities or transactions.

5. Each Contracting Party gives its consent to the submission of the dispute to the

Investor of the other Contracting Party to international arbitration in accordance with the provisions of subparagraphs b) - g) of paragraph 2 of this article. Thus, no additional written agreement between the

Contracting Party and an investor of the other Contracting Party will no longer be required.

6. A Contracting Party party to the dispute, will not be in the arbitral proceedings or execution of the decision of the arbitral tribunal

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Refer to defend its sovereignty, or the fact that the state investor of the other Contracting Party has received under the contract of insurance compensation covering the whole or part of the losses incurred.

7. The decision of the court is final and binding on both parties to the dispute.

8. None of the Contracting Parties should not attempt to resolve through diplomatic channels a dispute submitted to international arbitration shall, except in cases when the other Contracting Party does not submit to the decision of the arbitral tribunal.

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

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled through negotiations.

2. If the dispute can not be resolved in the above manner, within six (6) months from the date of application of any of the Contracting Parties of such negotiations, the dispute shall, at the request of either Contracting Party shall be submitted to arbitration.

3. The arbitral tribunal will be established for each individual case as follows. Within two (2) months after receipt of the request for arbitration the settlement of each Contracting Party shall appoint one member of the tribunal. These two members shall determine the third-country national, who by mutual consent of the Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within four (4) months from the date of appointment of the other two members.

4. If the necessary appointments have not been made within the periods specified in paragraph 3 of this Article, and if the Contracting Parties agree otherwise, the request for the necessary work assignments can be written for any of the Contracting Parties to the International Court of Justice. If the President of the International Court of Justice is a national of the state of either Contracting Party or is unable to carry out the above steps for any other reason, the request for work necessary appointments will be addressed to the next-highest member of the International Court of Justice who is not a national of either Contracting Party in the state to implement the above actions.

5. The arbitral tribunal shall take decisions by majority vote. Court decisions are final and binding on both Contracting Parties. Each Contracting Party shall bear the costs of its appointed member of the tribunal and of its representatives at meetings of the Court. Chairman of the costs and other expenses will be shared equally between the Contracting Parties. The court may also take a different decision in respect of costs. For all other matters the arbitral tribunal shall determine the rules of its own work.

## **Article 10. Applicability of other Regulations**

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1. If the provisions of law of either Contracting Party or obligations under international law existing at present or established thereafter between the Contracting Parties in addition to this Agreement contain general or specific rules according to which investors of the other Contracting Party or its investment enjoy treatment more favorable than the one established by this

Agreement, such rules shall prevail in relation to this Agreement to the extent in which they are more favorable to the investor.

## **Article 11. General Exceptions**

1. Nothing in this Agreement shall be construed so as to prevent the Contracting Parties from applying any measures necessary to protect its essential security interests in time of war, armed conflict or other emergency in international relations.
2. Nothing in this Agreement shall be construed so as to prevent the Contracting Parties to take any measures necessary to maintain public order, provided that such measures do not constitute a means of arbitrary or unjustifiable discrimination or a disguised investment restriction.

## **Article 12. Application of this Agreement**

The provisions of this Agreement shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party in accordance with its legislation before and after the Agreement enters into force, however, will not apply to any dispute concerning investments which has arisen before the effective date of this Agreement into force, or to any of the claims resolved prior to the entry into force of this Agreement.

## **Article 13. Consultations**

If necessary, representatives of the Contracting Parties shall consult on any matter affecting the implementation of this Agreement. These consultations will be held at the suggestion of one of the Contracting Parties in a place and time agreed through diplomatic channels.

## **Article 14. Entry Into Force, Duration and Termination**

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1. The Contracting Parties shall notify each other in writing of the completion of the internal procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the thirtieth (30th) day from the date of the later of these notifications.
2. This Agreement shall remain in force for ten (10) years and shall be automatically extended for successive periods of ten years up until one of the Contracting Parties notifies in writing the other Contracting Party at least twelve (12) months prior to the the expiration of the period of its intention to terminate this Agreement.
3. This Agreement may be amended or supplement the written consent of the Contracting Parties in writing. The entry into force of any such amendments or supplements will apply the same procedure, which is required for entry into force of this Agreement.
4. With respect to investments made prior to the termination of this Agreement, the provisions of Articles 1 - 13 of this Agreement shall remain in force for ten (10) years from the date of termination of this Agreement.

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

Done in duplicate at Minsk on July 1, 2013 in Russian and English languages, all texts being equally authentic. In case of divergence of interpretation of this Agreement will be given to the English text.

For the Government For the Government of

Belarus Lao Narodno

Democratic Republic of the Signature

Signature