

# AGREEMENT

BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE KINGDOM OF CAMBODIA ON THE PROMOTION AND MUTUAL PROTECTION OF INVESTMENTS

(Moscow, 3 March 2015)

The Russian Government and the Government of the Kingdom of Cambodia, hereinafter referred to as the Contracting Parties,

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

Recognizing that the promotion and reciprocal protection of investments under this Agreement will stimulate the flow of capital and promote the development of mutually beneficial trade-economic and scientific-technical cooperation,

Have agreed as follows:

## Article 1. Definitions

For the purposes of this Agreement:

1. The term "investor" (in respect of each of the Contracting Parties) means:

- a) any natural person who is a citizen of that Contracting Party;
- b) any legal person created or organized under the laws of that Contracting Party.

2. The term "investment" means every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the latest legislation, and in particular:

- a) movable and immovable property;
- b) shares, stocks and other forms of participation in the capital of commercial organizations;
- c) a claim for the money invested to create economic value, or under contracts having an economic value associated with an investment;
- d) the exclusive rights to objects of intellectual property (copyrights, patents, industrial designs, utility models, trademarks and service marks, technology, information having a commercial value, and know-how);
- d) the right to carry out business activities conferred by law or contract relating, in particular, the exploration, development, production and exploitation of natural resources.

No change in the form of investment does not affect their qualification as investments if such change does not contradict the legislation of the Contracting Party in whose territory the investments were made.

3. The term "returns" means the funds received from the investment and includes, in particular, profits, dividends, interest, royalties and other fees.

4. The term "territory of a Contracting Party State" means:

- a) in respect of the Russian Federation, the Russian Federation, as well as its exclusive economic zone and continental shelf, defined in accordance with the UN Convention on the Law of the Sea 1982;
- b) in respect of the territory of the Kingdom of Cambodia Kingdom of Cambodia, including the entire land territory, the territorial sea, its seabed and subsoil, and the airspace over which the Kingdom of Cambodia exercises sovereignty or

jurisdiction in accordance with international and national law.

5. The term "law of a Contracting Party" means the laws and other normative legal acts of the Russian Federation or the laws and other normative legal acts of the Kingdom of Cambodia.

## **Article 2. Investment Protection**

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

2. Each Contracting Party shall, in accordance with its legislation provides full protection on its territory investments of investors of the other Contracting Party.

## **Article 3. Investment Mode**

1. Each Contracting Party shall ensure in its territory fair and equitable treatment to investments made by investors of the other Contracting Party in connection with the management and disposal of such investments.

2. referred to in paragraph 1 of this Article Mode, should be not less favorable than that accorded to the investments of its own investors or investments of investors of any third state, depending on which one is at the investor's opinion, it is the most favorable.

3. Each Contracting Party reserves the right to apply and introduce exemptions from national treatment specified in paragraph 2 of this article, with respect to foreign investors and their investments, including reinvested capital.

4. Most favored nation treatment granted in accordance with paragraph 2 of this Article shall not apply to the advantages which the Contracting Party is providing or will provide in the future:

a) in connection with participation in a free trade area, customs or economic union;

b) on the basis of agreements to avoid double taxation or other agreements on taxation;

c) in accordance with the agreements between the Russian Federation and States formerly part of the former Union of Soviet Socialist Republics.

5. Without prejudice to the provisions of Articles 4, 5 and 8 of this Agreement, the Contracting Parties shall grant each other no more favorable than that granted by each Contracting Party in accordance with the Agreement Establishing the World Trade Organization (WTO Agreement), signed on April 15, 1994., including the obligations under the General agreement on trade in services (GATS), as well as in accordance with any other multilateral agreements in respect of investments regime, achieved with the participation of both Contracting Parties.

## **Article 4. Expropriation**

1. Investments of investors of one Contracting Party made in the territory of the other Contracting Party shall not be subjected to compulsory exemption equivalent to expropriation or nationalization (hereinafter referred to as - expropriation), except in cases when such measures are carried out in the public interest and in accordance with the procedure established under the laws of that Contracting Party, if they are not discriminatory and entail the payment of prompt, adequate and effective compensation.

2. The compensation shall correspond to the market value of the expropriated investment calculated on the date when the official was aware of the actual or impending expropriation. Compensation shall be paid without delay in a freely convertible currency and freely translated from the territory of one Contracting Party in the territory of the other Contracting Party. From the date of expropriation until the date of payment of compensation in the amount of the compensation will bear interest at a commercial rate established on a market basis, but not less than six-month LIBOR rate for loans in US dollars.

## **Article 5. Damages**

Investors of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, civil unrest or other similar circumstances, provided in respect of restitution, indemnification, compensation or other settlement, treatment no less favorable than that the latter Contracting Party shall accord to investors a third country or to its own investors in respect of any measures taken by it in connection with such damage.

## **Article 6. Transfer Payments**

1. Each Contracting Party shall guarantee to investors of the other Contracting Party, after fulfillment of all tax obligations and in compliance with relevant legislation free transfer abroad of payments related to their investments, and in particular:

- a) revenue;
- b) funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as the accrued interest;
- c) funds received in connection with the sale or total or partial liquidation of investments;
- d) the compensation provided for in Articles 4 and 5 of this Agreement;
- e) wages and other remunerations received by the investor and the individuals of the other Contracting Party who are allowed to work in connection with investments in the territory of the first Contracting Party.

2. Transfers of payments are made without delay in a freely convertible currency at the rate applicable on the date of transfer in accordance with the relevant laws of the Contracting Party in whose territory the investments were made.

## **Article 7. Subrogation**

Contracting Party or its authorized body that made the payment to the investor on the basis of guarantees against non-commercial risks in connection with investments in the territory of the other Contracting Party will be able to exercise by subrogation the right of the investor to the same extent as the investor. These rights shall be exercised in accordance with the legislation of the latter Contracting Party.

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

1. Disputes between a Contracting Party and an investor of the other Contracting Party arising in connection with the investment of such investor in the territory of the first Contracting Party, including disputes relating to the size, conditions, or order the payment of compensation in accordance with Articles 4 and 5 of this Agreement or of the order of transfer payments provided for in article 6 of this Agreement shall be resolved as far as possible by negotiations.

2. If the dispute can not be settled through negotiation within six months from the date of the request of any of the parties to the dispute to resolve it through negotiations, it is at the option of the investor should be submitted to:

- a) the competent court of the Contracting Party in whose territory were the investments; or
- b) in the Court of Arbitration hoc ag in accordance with the Arbitration Rules of the International Trade Law of the United Nations Commission (UNCITRAL); or
- c) the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, signed at Washington, 18 March 1965, provided that it has entered into force for both Contracting Party or in accordance with the Additional Facility rules of the International Centre for settlement of investment disputes (if the Convention has not entered into force for both or one of the Contracting Parties).

3. The award shall be final and binding on both Parties to the dispute. Each Contracting Party undertakes to ensure the implementation of this decision in accordance with its legislation.

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

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

If in this way the dispute can not be settled within six months from the beginning of negotiations, at the request of either Contracting Party, he referred to the arbitral tribunal.

2. The arbitral tribunal shall be constituted for each individual case, for which each Contracting Party shall appoint one member of the arbitration tribunal within two months from the date of receipt of the notification of the arbitration

proceedings. Then, these two members shall select a national of a third State, who on approval of the two Contracting Parties shall be appointed Chairman of the arbitral tribunal within a month from the date of appointment of the other two members.

3. If within the period specified in paragraph 2 of this Article, the necessary appointments have not been made, in the absence of other agreement, either Contracting Party may request the President of the International Court of Justice to make such appointments. If the chairman of the International Court of Justice is a national of either Contracting Party or is otherwise unable to discharge the said function, then make the necessary appointments invited the Deputy President of the International Court. If the deputy chairman of the International Court of Justice is also a national of either Contracting Party or is otherwise unable to discharge the said function, then make the necessary appointments offered to the next in seniority member of the International Court of Justice who is not a national of either Contracting Party.

4. The arbitral tribunal shall render its decision by majority vote. This decision is final and binding on the Contracting Parties. Each Contracting Party shall bear the expenses related to the activities of its own appointed member of the tribunal and of its representation in the arbitration proceedings; costs associated with the arbitration court Chairman and other expenses The Contracting Parties shall bear in equal shares. However, the Court may in its decision that one of the Contracting Parties shall bear a larger share of

Costs, and such a decision will be binding on both Contracting Parties. The arbitral tribunal shall determine its own procedure.

## **Article 10. Consultations**

The Contracting Parties shall at the request of any of them, shall hold consultations on matters relating to the interpretation or application of this Agreement.

## **Article 11. Application of the Agreement**

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party from 1 January 2004, but does not apply to any disputes with respect to investments or any requirements which have arisen or have been resolved prior to its entry into force.

## **Article 12. Entry Into Force and Duration of the Agreement**

1. Each Contracting Party shall notify the other Contracting Party of the completion of internal procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last of the two notifications.

2. This Agreement shall remain in force for a period of fifteen (15) years. After this period it shall be automatically extended for successive five-year (5) terms, unless either Contracting Party notifies the other Contracting Party at least twelve months prior to the expiry of the period of its intention to terminate this Agreement.

3. This Agreement in writing, may be amended by mutual consent of the Contracting Parties. Any amendment shall enter into force after each Contracting Party shall notify the other Contracting Party of the fulfillment of all internal procedures necessary for the entry into force of such amendment.

4. In respect of investments covered by this Agreement and made prior to the date of this Agreement, the provisions of all other articles of this Agreement shall remain in force for a period of fifteen (15) years after its termination date.

Done in Moscow on March 3, 2015, in duplicate, each in the Russian, Khmer and English languages, all three texts being equally authentic. In case of divergence of interpretation, the English text used language.

(Signatures)