AGREEMENT BETWEEN THE REPUBLIC OF TURKEY AND THE REPUBLIC OF ESTONIA CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Republic of Turkey and the Republic of Estonia, hereinafte: called "the Parties".

Desiring to promote greater economic cooperation between the two countries, particularly with respect to investment by investors of one Party in the territory of the other Party,

Recognizing that agreement upon the treatment to be accorded suc investment will stimulate the flow of capital and technology and the economic development of the Parties,

Agreeing that fair and equitable treatment of investment is desirable in order to maintain a stable framework for investmen: and maximum effective utilization of economic resources, and

Having resolved to conclude an agreement concexning thi encouragement and reciprocal protection of investments,

Hereby agree ag follows:

Article I. Definitions

For the purpose of this Agreement:

1. The term "investor" means:

(a) a natural person deriving his status as a national of either Party according to its applicable law,

(b) any juridical person incorporated or constituted under the law in force of either of the Parties and having their headquarters in the territory of that Farty.

2. The term "investment", in conformity with the hosting Party's laws and regulations, shall include every kind of asset, in particular, but not exclusively:

(a) shares, stocks or any other form of participation ir companies,

(b) returns reinvested, claims to money or any other rights ta legitimate performance having financial value related to an investment.

(c) Movable and immovable property, as well as any other rights in rem such as mortgages, liens, pledges and any other similar rights.

(d) copyrights, industrial and intellectual propenty rights such as patents, licenses, industrial designs, technical processes, a5 well as trademarks, goodwill, know-how and other similar rights,

(e) business concessions conferred by law or by contract, including concessions to search for, cultivate, extract or exploit natural resources on the territory of either Party as defined hereafter.

3. The term "returns" means the amounts ylelded by an investment and includes in particular, though not exclusively, profit, interest, and dividends.

4. The term "territory" includes the land boundaries, maritime areas and the continental shelf delimited by mutual egreemens between the parties concerned over which the Party hosting the investment has sovereign rights or iurisdiction in accordance with international law.

Article II. Promotion and Pretection of Investments

1. Each Party shall permit in its territory investments, and activities associated therewith, ona basis no less favourable than that accorded in similaz situations to investmente of invastors of any third country, within the framework of its laws and regulations.

2. Each Party shall accord to these investments, ence established, treatment no less favourable than that accorded in similar situations to investments of its investors or to investments of investors cf any third country, whichever is the most favourable.

3. Subject to the laws and requlations of the Parties relatine to the entry, sojourn and employment of aliens;

(a) nationals of either Party shall be permitted to enter and remain in the territory of the other Party for purposes of establishing, developing, administering or advising on the operation of an investment to which they, or an investor of the first Party that employs them, have committed or are in the process of committing a substantial amount of capital or other resources,

(b) companies which are legally constituted under the applicable laws and regulations of one Party, and which include investments of investors of the other Party, shall be permitted to engage managerial and technical personnel of their choice, regardless of nationality.

4. The provisions of this Article shall have no effect in relation to following agreements entered into by either of the Parties:

(a) relating to any existing or future customs union, free trada area, regional economic rqanization or similar international agreement,

(b) relating wholly or mainly to taxation.

Article III. Expropriation and Compensation

1. Investments shall not be expropriated, nationalized or subject, directly or indirectly, to measures of similar effects except for a public purpose, in a non-discriminatory manner, upon payment of prompt, adequate and effective compensation, and in accordance with due process of law and the general principles of treatment provided for in Article II of this Agreement.

2. Compensation shall be equivalent to the market value of the expropriated investment before the expropriatory action was tzken or became known. Compensation shall be paid without delay and be freely transferable as described in paragraph 2 Article IV.

3. Investors of either Party whose investments suffer losses in the territory of the other Party owing to war, insurrection, eivil disturbance or other similar events shall be accorded by such other Party treatment no less favourable than that accorded to its own investors or to investors of any third country, whichever is the most favourable treatment, as regards any measures it adopts in relation to such losses.

Article IV. Repatriation and Transfer

1. Each Party shall permit in good faith all transfers relsted to an investment to be made freely and without unreasonable delay into and out of its territory. Such transfers include:

(a) returns,

(b) proceeds from the sale or liquidation of all or any part of an investment,

(c) compensation pursuant to Article III,

(d) reimbursements and interest payments deriving fron leans in connection with investments,

(e) salarias, wages and other remunerations received by the nationals of one Party who have obtained in the territory of the other Party the corresponding work permits related to an investment,

(f) payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which the investment has been made or in any convertible currency at the market rate of exchange at the date of transfer, unless otherwise agreed by the investor and the hosting Party.

Article V. Subrogation

1. If the investment of an investor of one Party is insuired against non-commercial risks under a system established by law, any subrogation of the insurer which stems from the terms of che insurance agreement shall be recognized by the other Party.

2. The insurer shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise.

3. Disputes between a Party and an insurer shall be settled in accordance with the provisions of Article VII ef this Agreement.

Article VI. Derogation

This Agreement shall not derogate from:

(a) national laws and regulations of either Party, or

(b) international legal obligations assumed by either Party, that entitle investments or associated activities to a treatment more favourable than that accerded by this Agreement in ilke situations.

Article VII. Settlement of Disputes between One Party and Investors of the other Party

1. Disputes between one of the Parties and an investor of the other Party, in connection with his investment, shall be notified in writing, including a detailed information, by the investor to the recipient Party of the investment. As far as possible, the investor and the concerned Party shall endeavour to settle thase disputes by consultations and negotiations in good faith.

2. If these disputes cannot be settled in this way within six months following the date of the written notification mentioned in paragraph 1, the dispute can be submitted, as the investor may choose, to:

(a) the International Center for Settlement of Investmant Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes Between States and Nationals of otner States",

(b) an ad hoc court of arbitration laid down under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL),

(c) the Court of Arbitration of the Paris International Chamber of Commerce,

(d) the courts of justice of the Party that is a party to the dispute. However, the investor who has brought the dispute before the said courts can only apply to one of the dispute settlement procedures under (a), (b) or (c) of this Article if a final award has not been rendered within one year.

3, The arbitration awards shall be final and binding for all parties te the dispute. Each Party commits itself to execute the award according to its national legislation.

Article VIII. Settlement of Disputes between the Parties

1. The Parties shall seek in good faith and a spirit of cooperation a rapid and equitable solution to any dispute between them concerning the interpretation or application of this Agreement. In this regard, the Parties agree to engage in direct and meaningful negotiations to arrive at such solutions. If the Parties cannot reach an agreement within six months after the beginning of dispute between themselves through the foregoing procedure, the dispute may be submitted, upon the request of either Party, to an arbitral tribunal of three members.

2. Within two months of receipt of a request, each Party shall appoint an arbitrator. The two arbitrators shall select a third arbitrator as Chairman, who is a national of a third country. In the event either Party fails to appoint an arbitrator within the specified time, the other Party may request the President of the International Court of Justice to make the appointment.

3. If both arbitrators cannot reach an agreement ahout the chcice of the Chairman within two months after thelr appointment, the Chairman shall be appointed upen the request of either Party by the President of the International Court of Justice.

4. If, in the cases specified under paragraphs (2) and (3) of this Article, the President of the International Court of Justice is

prevented from carrying out the said function or if he is a national of either Party, the appointment shall be made by the Vice-President, and if the Vice-President is prevented fron carrying out the said function or if he is.a national of either Party, the appointment shall be made by the most senior member of the Court who is not a national of either Party.

5. The tribunal shall have three months from the date of the selection of the Chairman to agree upon rules of procetiure consistent with the other provisions of this Agreement. In the absence of such agreement, the tribunal shall request the President of the International Court of Justice to desigrate rules of procedure, taking into account generally recognized rules of international arbitral procedure.

6. Unless otherwise agreed, all submissions shall be made and all hearings shall be completed within eight months of the date of selection of the Chairman, and. the tribunal shall render its decision within two months after the date of the final submissions oz the date of the closing of the hearings, whichaver is later. The arbitral tribunal shall reach its decisions, which shall be final and binding, by a majority of votes.

7. Expenses incurred by the Chairman, the othez arbitrators, and other costs of the proceedings shall be paid for emially by the Parties. The tribunal may, however, at ite discretion, decide that a higher proportion cf the costs bea paid by one of the Parties.

8. A dispute shall not he submitted to an Internatlonal arbitration court under the provisions of this Article. if the same dispute has been brought before another international arbitration court under the provisions of Article VII and is still before the court. This will not impair the engagement in direct and meaningful negotiations between both Parties.

Article IX. Entry Into Force

1. This Agreement shall enter into force on the data on which the Parties have informed each other threugh the diplomatic channels of the fulfillment of the legal procedures necessary for the enforcement of this Agreement. It shall remain in force for a period of ten years and shall continue to be in force unless terminated in accordance with paragraph 2 of this Article. It shall apply to investments existing at the time of entry inte force as well as to investments made or acquired thereafter.

2. Either Party may, by giving one year's written notice to the other Party, terminate this Agreement at the end of the initial ten year period or at any time thereafter.

3. This Agreement may be amended by written agreement between the Parties. Any amendment shall enter inte force when each Party has notified the other that it has completed all inteznal requirements for entry into force of such an amendment.

4. With respect to investments made or acquired prior to the date of termination of this Agreement and to which this Agreement otherwise applies, the provisions of all of the other Articles of this Agreement shall thereafter continue to he effective fer a further period of ten years from such date of termination.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Agreement.

DONE at _____ on the day of _____199__ in the Turkish, Estonian and English languages, all of which are equally authentic.

In case of divergence of interpretation the English text shall prevail.

FOR THE REPUBLIC OF TURKEY

FOR THE REPUBLIC ESTONIA