

# **Agreement between the Government of Romania and the Government of the Republic of Uzbekistan on mutual encouragement and protection of investments**

The Government of Romania and the Government of the Republic of Uzbekistan, hereinafter referred to as the Contracting Parties,

Desiring to promote economic co-operation for the mutual benefit of both countries,

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

Recognizing the need to promote and protect foreign investments in order to increase economic prosperity of both countries,

Have agreed as follows:

## **Article 1. General Definitions**

For the purposes of this Agreement:

1. The term "investor" refers with regard to either of the Contracting Parties, to:

I) to legal entities, including companies, corporations, business community and other organizations and associations established in accordance with the legislation of one Contracting Party and having a location with actual economic activity in the territory of the same Contracting Party.

II) individuals:

- With regard to Romania - natural persons who, in accordance with its laws are its citizens;

- As regards the Republic of Uzbekistan - natural persons who, in accordance with its laws are its citizens, or granted the status of stateless persons.

2. The term "investment" includes any rights under the state legislation of the Contracting Parties at the place of investment, particularly, but not exclusively:

I) the rights to movable or immovable property, as well as other rights in rem, such as mortgages, guarantees, collateral;

II) stocks, shares or any other form of participation in companies;

III) the right to demand or other rights on services that have an economic value;

IV) The right to intellectual and industrial property, such as copyrights, patents, design or industrial designs, trademarks or service marks, trade names, production and commercial secrets, technology and "know-how" and "Good villas" as well as other similar rights recognized by the laws of the Contracting Parties;

V) of the right to concessions, including concessions for exploration, production and exploitation of natural resources, as well as other rights in accordance with applicable law.

Any change in the form in which the original or re-invests values, does not change its qualification as an investment.

3. The term "returns" means the amount of money received as a result of the investment, and including, in particular, but not exclusively: profits, dividends, interest, capital gains, royalties, license fees, royalties from management, technical assistance or other fees, irrespective of the form in which the income is paid.

4. The term "territory" means, as the territory of the State of each Contracting Party, including the territorial waters and exclusive economic zone of the sea, over which each State in accordance with its legislation and international law exercises its sovereignty, sovereign rights and jurisdiction.

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

1. Each Contracting Party shall, in accordance with the laws of the state, will allow and encourage in its territory investments of investors of the other Contracting Party.

2. If a Contracting Party under this Agreement, admitted to the territory of his state investments such other Contracting Party, in accordance with its laws and regulations, to investors of the other Contracting Party shall issue the necessary permits in connection with such investments.

3. The Contracting Parties shall proceed from the need to assist companies with investments of investors of the Contracting Parties in the implementation and operation of these investments.

## **Article 3. Investment Protection, National Treatment and Most Favored Nation Treatment**

1. Each Contracting Party shall protect within its territory investments carried out in accordance with its legislation by investors of the other Contracting Party and shall not prevent unreasonable or discriminatory measures the management, maintenance, use, disposal income, expansion, sale or liquidation of such investments.

2. Each Contracting Party shall provide in its territory investments and the income of investors of the other Contracting Party fair and equitable treatment no less favorable than the treatment which it accords to investments and revenues of its own investors and / or investments and returns of investors of any third state, if the latter is more favorable regime.

3. The provisions of this Agreement with respect to the principle of most favored nation treatment shall not be construed so as to oblige one Contracting Party to extend to the investments of investors of the other Contracting Party the advantages resulting from:

I) the existing or possible future customs, currency and payments unions, free trade areas and common tariffs or any other agreements on regional economic integration, to which is or may become a Contracting Party;

II) agreements on avoidance of double taxation or other international agreements on taxation.

## **Article 4. Transfers**

1. Each Contracting Party, in the territory of which the investments by investors of the other Contracting Parties have been carried out, in accordance with its own legislation, will ensure that investors, after payment of prescribed taxes and fees, the free transfer of payments relating to these investments, particularly, but not exclusively by:

I) Revenue as defined in article 1, paragraph 3 of this Agreement;

II) amounts in repayment of loans or other financial contractual obligations undertaken for investment;

III) proceeds from the total or partial sale, alienation or liquidation of investments;

2. Unless otherwise agreed with the investor, transfers will be carried out without undue delay, in a freely convertible currency at the exchange rate existing at the transfer date, according to the existing currency regulation in the territory of the Contracting Party in the territory of which the investment is carried out.

3. The income and other amounts in any currency referred to in this article and the resulting state investors of either Contracting Party, as a result of investments made in the territory of the other Contracting Party of the

Sources at the place of the investment can be converted at the option of the investor, reinvested and / or be used for other purposes in the territory of the latter Contracting Party in accordance with its legislation.

## **Article 5. Expropriation and Compensation Investments**

1. The Contracting Parties shall take no action directly or indirectly, expropriation, nationalization or any other operation (hereafter referred to as "expropriation"), having the same nature or equivalent effects in relation to investments belonging

to investors of the other Contracting Party, if they are not related from:

I) measures taken in the public interest, carried out by law;

II) non-discriminatory measures.

2. The Contracting Party to make investments as a result of the expropriation of the circumstances provided in this Article, paragraph 1-1, II, would provide the investors of the other Contracting Party in a timely, fair and effective compensation. Such compensation will correspond to the market value of the expropriated investment, determined by the state to expropriate or until such time as a decision on expropriation became public (depending on which occurs first), will include a percentage of the value of the expropriated investment, calculated at the rate of "Pog" to expropriation date and be freely transferable. The amount of compensation must be established in the currency in which the investments were made, or to another freely convertible currency and paid without undue delay to the investor. Translating "without undue delay" shall be deemed translation produced during the time normally required for the implementation of formal actions related to the transfer. In this period the score starts with the application filing date, and may not exceed three months.

3. State Investors of one Contracting Party whose investments have suffered losses owing to war or other armed conflict, revolution, a state of emergency, revolution, civil disturbance or other similar events that have taken place on the territory of the other Contracting Parties will be provided compensation, restitution, compensation, or other cost award damages on the conditions in accordance with Articles 3, 4 and 5 - paragraph 2 of this Agreement.

## **Article 6. Application of the Agreement**

This Agreement shall apply to investments in the territory of one Contracting Party, produced in accordance with its legislation by investors of the other Contracting States Parties, regardless of whether they were made before or after the entry into force of this Agreement.

However, the Agreement shall not apply to disputes between an investor of the state of one Contracting Party and the other Contracting Party arising before its entry into force.

## **Article 7. The Application of other Rules and Special Commitments**

1. If the provisions of law in the State of either Contracting Party or obligations related to international law, existing now or hereinafter created, in addition to this Agreement contain provisions of general or specific nature of the provision of investment of investors of the other Contracting Party treatment more favorable than that accorded by this Agreement, such provisions to the extent in which they are more favorable, will have priority over the present Agreement.

2. Each Contracting Party shall observe any other obligation it has assumed for investments made in the territory of its State by investors of the other Contracting Party.

## **Article 8. Subrogation**

1. If one Contracting Party or its authorized institutions granted any financial guarantee against non-commercial risks in respect of investments of its investors, carried out on the territory of the other Contracting Party, and made a payment under this guarantee, the other Contracting Party on the basis of subrogation acknowledges the transfer of rights, including the rights and demands of these investors in full by the former Contracting Party or its authorized institutions. The other Contracting Party shall have the right to exclude from the transferred amount, on the basis of the principle of subrogation, taxes and other obligations that must be paid to investors.

2. In the case of subrogation as defined in this Article, paragraph 1, the investor does not speak with the requirements, if it is not authorized to the Contracting Party or its authorized institution.

## **Article 9. Consultations**

Each Contracting Party may propose the other Contracting Party to consult on any matter concerning the interpretation or application of this Agreement. The other Contracting Party shall favorably on the proposal and provide adequate opportunity for such consultations.

## **Article 10. Settlement of Disputes between an Investor of the State of One Contracting Party and the other Contracting Party**

1. For the purposes of resolving disputes between States investments an investor of one Contracting Party and the other Contracting Party will be consulted between interested parties in the dispute in order to permit him, if possible, amicably.
2. If the consultations do not lead to resolution of the dispute within six months from the date of the request to resolve the dispute, the investor may submit it to your discretion to allow:
  - I) the competent court of the Contracting Party in whose territory the investment was made; or
  - II) the International Centre for Settlement of Investment Disputes (ICSID) in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, March 18, 1965; or
  - III) in the arbitral tribunal "ad-hoc", which, unless otherwise agreed between the parties to the dispute, be held in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).
3. A Contracting Party party to the dispute with the state investor of the other Contracting Party during the whole process of its authorization or implementation of the decision on it should not be invoked as a defense to your immune system, or to receive compensation investor relying on insurance contracts, and covering the entire volume or part of the loss or destruction.

## **Article 11. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation and application of the provisions of this Agreement shall be settled as far as possible through diplomatic channels.
2. If the Contracting Parties will not be agreed within six months of the date of the dispute, the dispute shall, at the request of either Contracting Party, be referred to the arbitral tribunal consisting of three members. Each Contracting Party shall appoint one arbitrator, and the arbitrators appointed shall elect a President, who shall be a citizen of a third country maintains diplomatic relations with the states of both Contracting Parties.
3. If either Contracting Party fails to appoint its arbitrator and does not agree with the invitation of the second Contracting Party shall cause such appointment within two months, the latter Contracting Party may request the President of the International Court of Justice, so that it make the necessary appointments.
4. If both arbitrators can not reach an agreement within two months after their appointment to the Chairman of the selection, either Contracting Party may request the President of the International Court of Justice to conduct the required destination.
5. If the cases referred to in this Article, paragraphs 3, 4, President of the International Court of Justice can not perform the said function or if he is a national of one Contracting Party, the appointment shall be made Vice-President, and if he can not perform the proper function or is a national of one Contracting Party, the appointment will be made the next most senior member of the International Court of Justice who is not a national of either Contracting Party.
6. In the absence of other arrangements between the Contracting Parties, the Court will establish its own rules of procedure. The Court shall decide by majority vote.
7. Each Contracting Party shall bear the costs of the content of its member of the Court, as well as its representation in the arbitration procedure. Costs associated with the President of the arbitral tribunal and other expenses are covered Contracting Parties in equal parts.
8. The Court's decisions are final and binding for each Contracting Party.

## **Article 12. Changes and Additions**

This Agreement may be amended and supplemented by written agreement of the Contracting Parties shall enter into force in accordance with the procedure referred to in Article 13, paragraph 1 hereof.

## **Article 13. Entry Into Force, Duration and Termination**

1. The Contracting Parties shall exchange notes on the implementation of the legal procedures provided for by national laws of the States of the Contracting Parties with regard to the entry into force of this Agreement.

The date of entry into force of this Agreement is the date of receipt of the last note.

2. This Agreement shall remain in force for ten years.