

Agreement on Promotion and Reciprocal Protection of Investment between the Government of the Republic of Indonesia And the Government of the Islamic Republic of Iran

The Government of the Republic of Indonesia and the Government of the Islamic Republic of Iran hereinafter referred to as the "Parties";

DESIRING to promote economic cooperation to benefit both countries;

PURPOSE to create and maintain favorable conditions for investment by citizens of the Parties to each other's territories;
and;

REALIZING the importance of promoting and protecting investment by citizens of the Parties to the territories of each other;

HAVE AGREED AS FOLLOWS:

Article 1. Definition

For the purposes of this Agreement:

1 The term "investment" includes any form of property or assets, including the following, invested by an investor of one Party in the territory of the other Party, in accordance with the law and legislation of the other Party (hereinafter referred to as "the Receiving Party Capital investment) :

A Movable and immovable property and related property rights;

B Shares or any form of participation in the company;

C A bill of money or an achievement of financial value;

D Intellectual and industrial property rights such as patent, industrial or capital design, brand and trade name, knowledge and goodwill;

E Business rights established by law or through contracts relating to investments, including the right to obtain, process or exploit natural resources;

2 The term "investment" refers to a person making an investment in the territory of the other Contracting Party within the framework of this Agreement:

A An individual, in accordance with the laws and regulations of one of the Parties, having nationality rather than a Party;

B A Business Entity of either Party established under the laws of the Parties and the Head Office or the actual activities of its business situated in the territory of the Contracting Parties.

3 The term "income" refers to the value legally generated by investment including profits received from investments, dividends, royalties and payments.

4 The term "territory":

A In connection with the Republic of Indonesia shall mean the territory which is the sovereignty of the Republic of Indonesia in accordance with international law.

B In connection with the Islamic Republic of Iran means territory which is the sovereignty or jurisdiction of the Islamic Republic of Iran and belongs to the maritime territory;

Article 2. Increased Promotion

1 Each Party shall encourage its citizens to invest in the territory of the other Contracting Party.

2 Each Party shall, within the framework of its laws and regulations, create favorable conditions for attracting the investments of the other Contracting Party in its territory.

Article 3. Investment Approval

1 One Party shall permit the investment of an individual and business entity of the other Party in its territory in accordance with its laws and regulations. Investment approval letter may contain provisions which are based on the requirements at the time of approval.

2 If the investment is approved, one of the Parties shall, in accordance with its laws and regulations, grant all the necessary permissions to implement the said investment.

Article 4. Provision of Favorable Treatment

1 The investments, individuals and business entities of either Contracting Party, carried on in the territory of the other Contracting Party, shall have full legal protection and fair treatment of the beneficiary Party which is no less favorable than that provided by third country investors in relatively similar circumstances.

2 If either Contracting Party has granted or in future provides special treatment or right to a third state investor through an applicable or future agreement to establish a free trade area, customs union, joint market or other similar regional institutions and / or Through the Double Taxation Avoidance Agreement, the Party is not obligated to give special treatment or similar rights to investors of the other Contracting Party.

Article 5. Application of More Favorable Terms

1 Notwithstanding the terminology in this Agreement, the more favorable terms which have been or will be agreed by either Party with the investor of the other Contracting Party shall still be applicable.

2 Where the legal provisions of either of the Parties or the present or subsequent bilateral agreements set forth between the Contracting Parties in addition to this Agreement shall contain general, or special, rules relating to investments by investors of the other Party for Provide more favorable treatment than the treatment accorded to this Treaty, such provisions as long as the more favorable ones may be applied.

Article 6. Expropriation and Compensation

1 Investments by individuals and business entities of either Contracting Party may not be nationalized, expropriated or otherwise similar to that of the other Contracting Party except as provided in the following terms:

A In the public interest, in accordance with due process of law;

B Are not discriminatory, and

C Be given immediate compensation and effective compensation.

2 The amount of compensation shall be in accordance with the market value of the investments prior to the nationalization or takeover action.

Article 7. Compensation for Losses

1 Investors of any Contracting Party whose investments suffer losses arising from an armed conflict, revolution, or similar to an emergency within the territory of the other Party shall be provided by another Party of treatment such as compensation, restitution and indemnification in respect of such loss.

2 Treatment by the Parties shall not be less than those granted to domestic investors or to third-country investors.

Article 8. Repatriation and Money Transfer

1 Each Party shall, in accordance with the laws and regulations of its country, permit in good faith the transfer of money relating to investment under this Agreement, freely and without delay outside its territory:

A Income;

B Proceeds from the sale or liquidation of all or part of the investment;

C Royalties and remuneration related to the technology transfer agreement;

D Amounts paid in accordance with Article 6 and / or Article 7 of this Agreement;

E Payment of debt in respect of investments;

F Salaries and wages received by employees, of investments obtained in the Contracting Party of the recipient of the investment, having a work permit related to the investment;

G Payments arising from a decision of an official body in accordance with Article 11.

2 The above money transfers shall be made in the form of freely convertible currency at the rate applicable at the time of transfer.

Article 9. Subrogation

1 If either of the Parties or its representatives, within the framework of the legal system, guarantees the investor in respect of any payments made under the insurance or a guarantee agreement against non-commercial loss:

A Such guarantee shall be acknowledged by the other Party;

B The pledged party shall not be entitled to a right other than the right which may be accepted by the investor.

C Disputes between the guaranteed Parties and the recipient of the investor shall be settled in accordance with Article 11 of this Agreement.

Article 10. Scope of the Agreement

1 The agreement shall apply to investment of one Party within the territory of another Party approved / permitted in accordance with the laws and regulations of the recipient of the investment. The laws and regulations:

In relation to the Republic of Indonesia is the Law No. 1 of 1967 on Foreign Investment and other Laws which amend or replace it.

In connection with the Islamic Republic of Iran is the 2002 Law on the Enhancement and Protection of Foreign Investment or other laws that amend or supersede it.

2 This Agreement shall also apply to investments made before this Treaty enters into force, but the provisions of this Agreement shall not be used against any dispute, claim or discrepancy arising before this Agreement enters into force.

Article 11. Dispute Settlement between One Party and Investors of the other Party

And Investors of other Persons

1 If there is a dispute between the recipient of the investment and the investor of the other Party concerning the investment, the Contracting Party of the investment and the other Party will settle the dispute amicably through negotiation and consultation.

2 In the event that the receiving Party of investment and the investor of the other Party can not agree within six months from the date of notification of a claim by one Party to another Party, the dispute shall, at the request of the Investor, be submitted to:

A The competent courts of the Contracting Party in the investment territory are exercised; or

B The International Capital Dispute Settlement Arbitration Arrangement established by the Capital Investment Dispute Settlement Convention between States and Investors which was declared open for signature in Washington DC on March 18, 1965, when the Parties have become members of the Convention.

C An Ad Hoc Tribunal established in accordance with the United Nations Commission on International Trade Laws (UNCITRAL) arbitration rules.

D Any other Ad Hoc Tribunal or in accordance with procedures established by an arbitral tribunal as agreed by the Parties.

3 The decision shall be final and binding on the parties to the settlement of the dispute.

Article 12. Dispute Settlement between the Parties

1 Disputes between the Parties concerning the interpretation or application of this Agreement shall, if necessary, be resolved through diplomatic means.

2 In the event of a dispute between the Parties not being resolved, at the request of either Party, shall be brought before the arbitral tribunal.

3 The arbitral tribunal shall be established for each case in the following manner.

Within two months of receipt of an arbitration request, each Party shall appoint a member of the Court. These two members shall further elect a citizen of a third country to be the president of the Court. The Chairman shall be established within a period of two months from the date of the appointment of the two members.

4 If within the period referred to in Paragraph 3 of this Article is unenforceable, then each Party may, in the absence of any other agreement, invite the Chief Justice of the International Court of Justice to make the necessary appointment. If the Chairman is a citizen of one of the Parties or if he or she is for any other reason unable to perform the duties, then the Vice Chairman is a citizen of one of the Parties or if he is also unable to perform the duties, then the most senior member of the Court Who is not a citizen of either Contracting Party is expected to carry out the necessary appointments. However, the Chief Justice of the Arbitration Court is a citizen having diplomatic relations with the State Party.

5 An arbitrage court will make its decision on the basis of the majority vote. Such a decision is final and binding. Each Party to the Agreement shall bear the cost to its own members and to its representatives in the arbitral proceedings; The costs to the Chairman and other costs shall be shared by both Parties to the Agreement. However, the Court competent in its decisions may determine that the proportion of the fees is heavily imposed on either Contracting Party, and such decisions are binding on the Parties. The court will determine its own procedures.

Article 13. Consultation and Amendment

1 Each Party may request consultation on any matter concerning this Agreement. Others should give due consideration to the proposal and seek adequate opportunities for such consultations.

2 This Agreement may be amended at any time, if deemed necessary, under the mutual agreement of both Parties. The entry into force of this amendment shall be in accordance with the provisions of Article 14 (1) of the Agreement.

Article 14. Effective Start, Term and Termination

1 This Agreement shall enter into force thirty days from the date of the last notification by one of the Parties to the other Party, that the national legal requirements necessary for the entry into force of this Agreement have been fulfilled.

2 This Agreement shall remain in force unless either Party notifies the other Party in writing of its wish to terminate this Agreement six months prior to termination or termination of this Agreement.

3 Upon termination or termination of this Agreement, the provisions of this Agreement shall continue to apply to investments over the next ten years.

AS A PARTY OF INTEREST, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

Done in Teheran on 22 June 2005 simultaneously with 1st Tir 1384 in two original texts, each in Indonesian, Persian and English, all texts have the same legal force. If there is any difference to the interpretation, then the English text shall prevail.

On behalf of Government on behalf of the Government

Republic of Indonesia Islamic Republic of Iran

Sign Sign

Mari Elka Pangestu Seyed Ahmad Motamedi
Minister of Commerce Minister of Communications and
Information Technology