Agreement on the Encouragement and Mutual Protection of Investment between the Government of the Islamic Republic of Iran and the Government of the Republic of Burundi

The Government of the Islamic Republic of Iran and the Government of the Republic of Burundi, hereinafter referred to as the "Contracting Parties" and separately as the "Contracting Parties";

Desiring to strengthen economic cooperation in order to secure the interests of both States;

With the aim of using their economic resources and potential in the field of investment and also of creating and maintaining favorable conditions for investments of nationals of the Contracting Parties in each other's territory; and

Recognizing the need to encourage and protect investments of nationals of the Contracting Parties in each other's territory, have agreed as follows:

Article 1. Definitions

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

1. The term “investment” means any kind of capital or asset, including the following, which is invested by an investor of one of the Contracting Parties in the territory and in accordance with the laws and regulations of the other Contracting Party (hereinafter referred to as the receiving Contracting Party):

a) Movable and immovable property and rights related thereto

b) shares or any form of participation in companies;

c) any claims for money;

d) intellectual and industrial property rights such as patents, limited patents, designs or models, trademarks, trade names, artistic designs and goodwill;

e) rights to explore for, extract or exploit natural resources.

2. The term "investors" means the following persons who, for the purposes of this Agreement, are investors in a Contracting Party:

a) natural persons who are not considered nationals of that Contracting Party under the laws of that Contracting Party and who do not have the nationality of the Contracting Party making the investment.

b) legal persons of either Contracting Party established under the laws of that Contracting Party and whose head office or principal place of business is in the territory of that Contracting Party.

3. The term "returns" means the funds legally derived from the investor, including profits from the investor, dividends, commissions, and royalties.

4. The term "territory" means the territory under the sovereignty or jurisdiction of each of the Contracting Parties, as the case may be, and includes the maritime areas to which it belongs.

Article 2. Investment Promotion

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

2. Each of the Contracting Parties shall, within the limits of its laws and regulations, take appropriate measures to attract

investors of nationals of the other Contracting Party to its territory.

Article 3. Investment Attraction

1. Each of the Contracting Parties shall, in accordance with its laws and regulations, take steps to attract investors of natural and legal persons of the other Contracting Party to its territory.

2. Each of the Contracting Parties shall grant to the investor all the permits required by their laws and regulations for the establishment of such investment.

Article 4. Protection of Investors

Capitals of natural and legal persons of either Contracting Party shall enjoy in the territory of the other Contracting Party full legal protection and treatment of investors which is not less favourable than that accorded to its own investors or to investors of any third country in similar circumstances.

Article 5. More Favourable Conditions

Notwithstanding the provisions of this Agreement, more favourable conditions agreed upon or to be agreed upon between either Contracting Party and investors of the other Contracting Party shall be applicable.

Article 6. Confiscation and Expropriation

1. Capitals of natural and legal persons of either Contracting Party shall not be subject to confiscation, or subjected to similar measures, provided that such measures are carried out for public purposes, in accordance with the provisions of the law, in a non-discriminatory manner and in exchange for prompt, effective, and adequate compensation.

2. The compensation for losses must be equivalent to the value of the investor’s capital immediately prior to the confiscation, seizure, or deprivation of ownership thereof.

Article 7. Losses

Each investor shall be liable to the contracting party if the investors suffer a loss due to armed conflict, coup d'état, or a state of force majeure in which the contracting party suffers a loss, shall be entitled to such relief as is not available to the contracting party in relation to its own investors or the investors of any third country.

Article 8. Return and Transfer of Capital

1. Each Contracting Party shall, in accordance with its own laws and regulations and in good faith, permit the following transfers concerning the capital subject to this Agreement to be carried out freely and without delay outside its territory:

a. Profits

b. Amounts derived from the sale or liquidation of all or part of the investment

c. Rights to dividends and rights to profits related to the transfer of the investment

d. Amounts refunded pursuant to Articles (6) or (7) of this Agreement

e. Loan installments related to the investor, provided that they are paid from the investor’s place of business.

f. salaries and wages received by the investor's employees who are employed in connection with the work of the investor in the territory of the receiving Contracting Party.

g. The funds resulting from the decision of the authority referred to in Article (13)

2. Transfers of the aforementioned currency shall be made at the prevailing exchange rate based on the currency rates at the time of transfer.

3. The investor and the contracting party may, regarding the return or transfer of the subject matter of this article, agree to a different method.

Article 9. Subrogation

1. Each of the contracting parties or an institution designated by it shall, under the legal system, with respect to payments that are not subject to the investor's decision or the inclusion of non-commercial risks, the investor shall be deemed to have invested:

a) The aforementioned amount shall be recognized by the contracting party as valid.

b) The investor shall not be entitled to any rights other than those to which the investor is entitled.

2. Disputes between the investor and the contracting party shall be resolved and settled in accordance with Article 13 of this agreement.

Article 10. Compliance with Obligations

Each Contracting Party shall comply with the obligations it has undertaken in connection with the investments of natural or legal persons of the other Contracting Party.

Article 11. Scope of the Agreement

This Agreement shall apply to investments approved by the competent authority of the Contracting Party receiving the investment.

a) The competent authority of the Islamic Republic of Iran is the "Organization of Investment and Economic Cooperation of Iran" or any other authority that may be designated.

(b) The competent authority of the Republic of Burundi is the "Investment Promotion Agency" or any other authority designated by it.

Article 12. Entry and Residence of the Contracting Party's Nationals

Each Contracting Party shall, in accordance with its laws governing the entry and residence of foreign nationals, permit the entry and residence of natural persons of the Contracting Party and other persons who are employed or employed by investors of the Contracting Party in the territory of the other Contracting Party for the purpose of carrying out activities related to their investment whether they are employed or self-employed.

Article 13. Settlement of Disputes between Contracting Parties and Investors of the Host Contracting Party

1. If a dispute arises between the Contracting Party of the receiving Contracting Party and one or more investors of the other Contracting Party concerning an investment, the Contracting Party of the receiving Contracting Party and the said investor(s) shall first endeavour to settle the dispute amicably through consultation and negotiation.

2. If the Contracting Party receiving the investment and the investor(s) in question are unable to reach an agreement within six months from the date of notification of the claim, either of them may refer the dispute to the competent courts of the Contracting Party receiving the investment or, in accordance with its own rules and regulations, to a three-member arbitral tribunal as described in paragraph (0) below.

3. Any dispute initially raised in the competent courts of the Contracting Party receiving the investment may not be referred to arbitration until it is settled except by mutual consent, and shall not be referred to arbitration if it results in a final award.

4. Any dispute referred to arbitration shall be exempt from the jurisdiction of domestic courts. However, this provision shall not prevent the government from enforcing an arbitral award by referring the matter to domestic courts.

5. The Contracting Party to which the investment is made or the investor(s) of the Contracting Party to which the investment is made, each of which wishes to refer a dispute to an arbitrator, shall, together with a written notification to the latter, designate the arbitrator of its choice. The latter shall, within sixty days from the date of receipt of the notification of the designation of an arbitrator, notify the latter, and the arbitrators selected shall, within sixty days from the date of the last selection, appoint the presiding arbitrator. If either Party fails to appoint its arbitrator within the prescribed period or if the elected arbitrators fail to agree on the selection of the presiding arbitrator within the prescribed period, either Party may request the Secretary-General of the Permanent Court of Arbitration to appoint the arbitrator of the opposing Party or the

presiding arbitrator, as the case may be. In any case, the presiding arbitrator shall be chosen from among the nationals of the country with which the Contracting Parties have political relations at the time of the selection.

6. The Arbitration Panel shall determine the time and place of arbitration in accordance with other matters agreed upon by the parties. The decisions of the Arbitration Panel shall be binding upon the parties.

Article 14. Settlement of Disputes between the Contracting Parties

1. All disputes arising from the implementation or interpretation of this Agreement shall be settled amicably through negotiation. In the event of failure to reach an agreement, either Contracting Party may, in accordance with its relevant laws and regulations, and by sending notice to the other Contracting Party, refer the matter to a three-member arbitral tribunal consisting of two arbitrators elected by the Contracting Parties and one presiding arbitrator.

2. In the event of a dispute over the arbitrators, each Contracting Party shall, within sixty days from the date of notification regarding the identification of the arbitrators, appoint a presiding arbitrator from among the arbitrators selected by the other party within sixty days from the date of the latter's selection.

3. If neither of the Contracting Parties appoints an arbitrator within the specified period, or if the appointed arbitrators fail to reach an agreement regarding the appointment of a presiding arbitrator within the aforementioned period, in such cases, the Contracting Parties may request the President of the International Court of Justice to appoint an arbitrator or presiding arbitrator in lieu of the one who is unable to serve. In any case, the arbitrator appointed shall be a national of a country with which the Contracting Parties have diplomatic relations at the time of the election. If the President of the International Court of Justice is unable to perform the duty or is a national of one of the Contracting Parties, the appointment shall be made by the Vice-President; and if the Vice-President is also excused from performing the said duty or is national of one of the parties to the Agreement, the appointment shall be made by a senior member of the Court who is not a national or any of the parties to the Agreement.

4. The Arbitration Panel shall determine the time and place of arbitration in light of other matters agreed upon by the parties.

5. The decisions of the Arbitration Panel shall be binding on the parties.

Article 15. Validity of the Agreement

1. This agreement shall be submitted to the competent authorities of each Contracting Party for approval in accordance with their respective laws and regulations.

2. This Agreement shall enter into force thirty days after the date of the final notification by each Contracting Party to the other, provided that the necessary measures required under their respective laws and regulations to implement this agreement, and shall remain in effect for a period of one year.

3. This agreement shall remain in effect beyond the specified term unless one of the Contracting Parties notifies the other party in writing of its termination, in which case the Agreement shall be deemed terminated six months after receipt of such notice.

4. Notwithstanding the expiry of the validity or termination of this Agreement, its provisions on investments covered by this Agreement shall remain in force for an additional period of ten years.

Article 16. Language and Number of Texts

This Agreement, consisting of a preamble and sixteen articles, has been drawn up in two copies in the Persian, French, and English languages, and all texts shall be equally authentic. In the event of any discrepancy in the texts, the English text shall prevail.

This agreement was signed in Tehran on 21 Farvardin 1391 (corresponding to April 10, 2013)

On behalf of the Government of Burundi

Victoire Ndikumana

President of Burundi.

On behalf of the Islamic Republic of Iran

Seyyed Shams al-Din Hosseini

Minister of Economy and Deputy Minister of Trade, Industry, Mines, and Energy