Agreement between the Government of the Russian Federation and the Government of the State of Palestine on the promotion and mutual protection of investments

The Government of the Russian Federation and the Government of the State of Palestine, hereinafter referred to as the Contracting Parties,

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

Recognizing that the promotion and mutual protection of investments based on this Agreement will stimulate capital inflow and promote the development of mutually beneficial trade, economic and scientific and technical cooperation,

Have agreed as follows:

Article 1. Definitions

The terms used in this Agreement mean the following:

"investor" - with respect to each of the Contracting Parties:

any natural person who is a national of the State of that Contracting Party;

any legal entity established or established and in accordance with the legislation of that Contracting Party;

"capital investments" means all types of property values invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party, in particular:

movable and immovable property, as well as related property rights;

shares, deposits and other forms of participation in the capital of commercial organizations;

the right of demand for funds invested in the creation of economic values, or under contracts of economic value that are related to investments;

exclusive rights to intellectual property (copyrights, patents, industrial designs, utility models, trademarks and service marks, technology, information of commercial value, and know-how);

the right to conduct business activities, provided on the basis of law or contract, including, in particular, related to the exploration, development, extraction and exploitation of natural resources.

No change in the form of investment does not affect their qualifications as investments if such a change is in accordance with the legislation of the Contracting Party in whose territory the investment is made;

"income" means the funds received from investments, in particular, profits, dividends, interest, licensing and other remuneration;

"territory of a Contracting Party":

in respect of the Russian Federation, the territory of the Russian Federation;

in respect of the State of Palestine, the territory of the State of Palestine;

"Legislation of the Contracting Party" means laws and other normative legal acts of the Russian Federation or laws and other normative legal acts of the State of Palestine.

Article 2. Protection of Investments

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

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

Article 3. Investment Regime

1. Each Contracting Party shall ensure in its territory a fair and equitable regime for the investments of investors of the other Contracting Party with respect to the management and administration of investments.

2. The regime referred to in paragraph 1 of this article shall be as favorable as the treatment accorded by the first Contracting Party to the investments of its own investors or to the investments of investors of any third state, whichever of them, in the investor's opinion, is more favorable.

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

4. The provisions of paragraph 2 of this article in respect of the most-favored-nation treatment shall not be interpreted as obliging one Contracting Party to extend to the investments made by investors of the other Contracting Party the benefits, privileges and benefits that the first Contracting Party grants or will provide in future to investors of any third country :

1) in connection with participation in the free trade zone, customs or economic union;

2) on the basis of agreements on avoidance of double taxation or other agreements on taxation issues;

3) in accordance with the agreements of the Russian Federation with the 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 are not bound by this Agreement to grant a regime more favorable than that accorded by each of the Contracting Parties in accordance with the Marrakesh Agreement Establishing the World Trade Organization (WTO Agreement) signed 15 April 1994, including obligations under the General Agreement on Trade in Services (GATS), and in accordance with any other multilateral arrangements regarding the regime of capital with the participation of the States of both Contracting Parties.

Article 4. Expropriation

1. Investments of investors of one Contracting Party carried out in the territory of the other Contracting Party can not be subjected to measures of compulsory confiscation equivalent to the consequences of expropriation or nationalization (hereinafter referred to as expropriation), except when these measures are carried out in the public interest and in accordance with procedure established by the legislation of the latter Contracting Party are not discriminatory and entail the payment of prompt, effective and suitable approach compensation. The amount of compensation should be paid without undue delay.

2. The compensation referred to in paragraph 1 of this article shall correspond to the market value of the expropriated investments calculated on the date immediately preceding the date of expropriation, or the date when it became known about the forthcoming expropriation, depending on which of the events occurred earlier. Compensation is paid in freely convertible currency and is freely transferable from the territory of the last Contracting Party to the territory of the first Contracting Party. From the date of expropriation to the date of payment of compensation, the amount of compensation will be accrued on a commercial rate that is set on a market basis, but not lower than the LIBOR rate for six-month loans in US dollars.

Article 5. Compensation for Losses

Investors of one Contracting Party whose investments are damaged in the territory of the other Contracting Party as a result of war, civil unrest or other similar circumstances shall be accorded a treatment as favorable as that which the last Contracting Party grants to investors of a third state in respect of restitution, compensation, other types of settlement.

Article 6. Transfer of Payments

1. Each Contracting Party shall, in accordance with its legislation, guarantee to investors of the other Contracting Party, after fulfilling all tax obligations, the unrestricted transfer abroad of payments in connection with their investments, in particular:

1) income;

2) funds paid in repayment of loans and credits recognized by both Contracting Parties as capital investments, as well as accrued interest;

3) funds received in connection with the full or partial sale or liquidation of capital investments;

4) compensation provided for in Articles 4 and 5 of this Agreement;

5) wages and other remuneration received by the investor of the other Contracting Party and by natural persons who are nationals of the State of the latter Contracting Party who are allowed to work in connection with investments in the territory of the first Contracting Party.

2. Transfers of payments shall be made without delay in freely convertible currency at the rate applicable at the date of transfer in accordance with the currency legislation of the Contracting Party in whose territory the investment was made.

Article 7. Subrogation

If a Contracting Party or its authorized body makes payment to its investor on the basis of a guarantee of protection against non-commercial risks in connection with investments made in the territory of the other Contracting Party, the last Contracting Party shall recognize subrogation of the first Contracting Party or its authorized body with respect to all rights and requirements of the investor. The first Contracting Party or its authorized body may exercise such rights and make such claims in accordance with the legislation of the latter Contracting Party to the same extent as the investor himself could have exercised or presented.

Article 8. Settlement of Disputes between the Contracting Party and the Investor of the other Contracting Party

1. Disputes under this Agreement between one Contracting Party and an investor of the other Contracting Party arising in connection with the investor's investments in the territory of the first Contracting Party, including disputes concerning the amount, conditions or procedure for payment of compensation in accordance with Articles 4 and 5 of this Agreement, or the procedure for transfer of payments provided for in Article 6 of this Agreement shall be resolved, if possible, through negotiations or consultations.

2. If such dispute can not be resolved, as provided for by paragraph 1 of this article, within six months from the date of a written request by either party to a dispute on its resolution through negotiations or consultations, then at the investor's option, it may be referred for consideration:

1) to the competent court or arbitration of the State of the Contracting Party in whose territory the investment has been made, or

2) to an arbitration court ad hoc in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), or

3) the International Center for the Settlement of Investment Disputes, established in accordance with the Convention on the Settlement of Investment Disputes between States and Natural or Legal Persons of Other States, opened for signature in Washington on March 18, 1965 , to resolve the dispute in accordance with this (Provided that it has entered into force for the States of both Contracting Parties) or in accordance with the Supplementary Rules of the International Center for the Settlement of Investment Disputes (in ae, if the Convention has not yet entered into force for the State of one Contracting Party or for the states of both Contracting Parties).

3. The award is final and binding on both sides of the dispute. Each Contracting Party undertakes to ensure the implementation of such a 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 resolved

through negotiations or consultations.

2. If the dispute referred to in paragraph 1 of this article can not be settled in this way within six months from the commencement of the negotiations, then at the request of any Contracting Party it shall be referred to the arbitral tribunal.

3. The arbitral tribunal shall be established for each individual case. To this end, each Contracting Party shall appoint one member of the arbitral tribunal within two months from the date of receipt of the notice of arbitration. Then these two members of the court elect a citizen of a third state who, with the approval of both Contracting Parties, is appointed by the chairman of the arbitration court within one month from the date of the last appointment of the member of the arbitral tribunal.

4. If the necessary appointments have not been made within the time limits specified in paragraph 3 of this article, in the absence of any other agreement, any Contracting Party may request the President of the International Court of Justice to make such appointments. If the President of the International Court of Justice is a national of a State of one of the Contracting Parties or for other reasons can not comply with this request, the Deputy President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President of the International Court of Justice is also a national of a State of one of the Contracting Parties or for other reasons can not comply with that request, the Member of the International Court next to him,

5. The arbitral tribunal shall render its decision by a majority of votes. Such a decision is final and binding on the Contracting Parties. Each Contracting Party shall bear the costs associated with the activities of the member of the court appointed by it and with its representation in the arbitral proceedings. Expenses related to the activities of the chairman of the arbitral tribunal, as well as other costs, are shared by the Contracting Parties in equal shares. The Court, however, may provide in its decision that one of the Contracting Parties will bear a larger share of the costs, and such a decision will be binding on both Contracting Parties. The arbitration court determines the order of its work independently.

Article 10. Consultations

The Contracting Parties shall, at the request of any one of them, consult on matters pertaining to the interpretation or application of this Agreement.

Article 11. Application of the Agreement

This Agreement applies to all investments made by investors of one Contracting Party in the territory of the other Contracting Party after its entry into force.

Article 12. Entry Into Force and Duration of the Agreement

1. Each Contracting Party shall notify the other Contracting Party in writing of the implementation of the domestic procedures required 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 years. After the expiration of this period, its validity shall be automatically extended for the next five years if one Contracting Party does not notify the other Contracting Party in writing at least twelve months before the expiration of the relevant period of its intention to terminate this Agreement.

3. This Agreement may be amended by mutual written consent of the Contracting Parties. Any change shall take effect after each Contracting Party has notified the other Contracting Party in writing of the implementation of the domestic procedures necessary for the entry into force of such an amendment.

4. With regard to investments made prior to the date of termination of this Agreement, the provisions of all other articles of this Agreement shall remain in force for the next fifteen years after the date of its termination.

DONE at Jericho on November 11, 2016, in duplicate, each in the Russian, Arabic, and English languages. In case of any discrepancies, the English text shall prevail.

For the Government of the Russian Federation

For the Government of the State of Palestine