AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Singapore and the Government of the Republic of Uzbekistan (each hereinafter referred to as the Contracting Party);

DESIRING to develop economic co-operation between them on the basis of mutual benefit;

CONVINCED that the encouragement and reciprocal protection of investments will be conductive to stimulating the development of business initiative and increasing prosperity in both States;

HAVE AGREED AS FOLLOWS:

Article 1. Definitions

For the purposes of the present Agreement:

1. The term investment means every kind of assets permitted by each Contracting Party in accordance with its laws and regulations, including, though not exclusively, any:

(a) movable and immovable property and other property rights, such as mortgages, liens or pledges;

(b) shares, stocks, debentures and other kinds of participation in a company;

(c) claims to money or to any performance conferred by law or under contract having an economic value;

(d) intellectual property rights, including, though not exclusively, copyright and.. neighboring rights, patents, industrial designs, trademarks, trade secrets, know-how and goodwill;

(e) business concessions conferred by law, under contract or by administrative act of an authorized state body, if applicable, including any concession to search for, cultivate, extract or exploit natural resources.

2. The term returns means monetary returns yielded by an investment, including any profit, interests, capital gains, dividends, royalties or fees.

3. The term investor means:

(a) a natural person deriving his status as a citizen of either Contracting Party according to its applicable law;

(b) a company which shall refer to a corporation, firm, association, or body incorporated or constituted under the law in force of either of the Contracting Parties.

4. The term territory shad mean the territory' of each Contracting Party as well as the exclusive economic zone, the seabed and subsoil, over which the Contracting Party exercises, in accordance with international law, sovereign rights or jurisdiction.

5. The term freely convertible currency means any currency that is widely used to make payments for international transactions and widely traded in the principal international exchange markets.

Article 2. Applicability of the Present Agreement

1. The present Agreement shall only apply to investments made by investors of one Contracting Party in the territory of the other Contracting Party, which are specifically approved in writing by the competent body designated by the Contracting Party in whose territory' the investment is made and upon such conditions, if any, as it shall deem fit.

2. The provisions of the foregoing paragraph shall apply to all investments made by investors of either Contracting Party' in the territory of the other Contracting Party, before or after the entry into force of the present Agreement. No claim under this Agreement may be made in respect to any' act or fact that took place or any situation that ceased to exist before the date of entry into force of this Agreement.

Article 3. Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favorable conditions for investors of the. other Contracting Party to make in its territory investments that are in line with general economic policy.

2. Investments approved under Article 2 shall be accorded fair and equitable treatment and protection in accordance w'ith tins Agreement

Article 4. Most-favored Nation Treatment

Each Contracting Party shall provide to investments made in accordance with Article 2, or to returns of investors of the other Contracting Party, treatment no less favorable than that which it accords to investments or returns of any third State,

Article 5. Exceptions

1. The provisions of the present Agreement relating to grant of most-favored-nation treatment, shall not be construed so as to oblige one of the Contracting Parties to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) any customs union, free trade area, free trade arrangement, common market, monetary union or similar international agreement, to which either of the Contracting Party is or may become a party, the adoption of an agreement designed to lead to the formation or extension of such a union, area or arrangement;

(b) any arrangement with a third State or States in the same geographical region designed to promote regional cooperation in the economic, social, labor, industrial or monetary fields within the framework of specific projects.

2. Paragraph 1 of the present Article shall also apply to any provision relating to expropriation in any investment guarantee agreements entered into by Singapore prior to 1991.

3. The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the two Contracting Parties and the domestic laws of each Contracting Party.

Article 6. Expropriation

1. Neither Contracting Party shall take any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation (hereinafter referred to as expropriation) against the investment of investors of the other Contracting Party unless the measures are taken for any purpose authorized by law, on a non-discriminatory basis, in accordance with its laws and against compensation which shall be effectively realizable and shall be made without unreasonable delay. Such compensation, shall, subject to the laws of each Contracting Party, be the value immediately before the expropriation.

2. Any measure of expropriation or valuation may, at the request of an investor affected, be reviewed by a judicial or other independent body of the Contracting Party taking the measure in the manner prescribed by its laws.

3. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the laws in force in its territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of the present Article are applied to the extent necessary to guarantee compensation as specified therein to such investors of the other Contracting Party who are owners of those shares.

Article 7. Compensation for Losses

Investors of one of the Contracting Parties, whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, if any, no less favorable than that which the latter Contracting Party accords investors of

any third State.

Article 8. Transfer of Payments

Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer, on a non-discriminatory basis, of their capital and the returns from any investments. The transfers shall he made in a freely convertible currency, without undue delay. Such transfers of payments shall include in particular, though not exclusively:

(a) profits, capital gains, dividends, royalties, interest and other current income accruing from an investment;

(b) proceeds of the total or partial liquidation of an investment;

(c) repayments made pursuant to a loan agreement in connection with an investment;

(d) license fees in relation to the matters in Article l(l)(d);

(e) payments in respect of technical assistance, technical service and management fees;

(f) payments in connection with contracting projects;

(g) earnings of investors of one of the Contracting Party in the territory of the other Contracting Party in connection with an investment;

(h) compensation in relation to matters in Articles 6 and 7.

Article 9. Exchange Rate

The transfers referred to in Articles 6 to 8 of the present Agreement shall be made at the current market rate of exchange at the time of transfer, in freely convertible currency, pursuant to the procedures of exchange regulations in force, if applicable, in the Contracting Party in whose territory the investment was made.

Article 10. Laws

For avoidance of any doubt, it is declared that all investments shall, subject to the present Agreement, he governed by the legislation in force in the territory of the Contracting Party, in which such investments are made.

Article 11. Prohibitions and Restrictions

The provisions of the present Agreement shall not in any way limit the right of either Contracting Party to apply prohibitions or restrictions of any kind or take any other action that is directed to the protection of its essential security interests, protection of public health or prevention of diseases and pests in animals or plants.

Article 12. Subrogation

1. If a Contracting Party or its designated agency (hereinafter referred to as the First Contracting Party) makes a payment to an investor of that Contracting Party under an indemnity, guarantee or a contract of insurance it has given in respect of the investment or any part thereof, the other Contracting Party shall recognize the fact that the First Contracting Party has a right by virtue of subrogation to exercise the rights and assert the claims of its own investors.

2. The subrogated rights or claims shall not be greater than the original rights or claims of an investor.

3. Any payment made by the First Contracting Party to its investors shall not affect the right of such investors to make their claims against the other Contracting Party in accordance with Article 13.

Article 13. Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any dispute between an investor of one Contracting Party and the other Contracting Party in " connection with an investment in the territory of the latter Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. The party intending to resolve such dispute through negotiations shall give written notice to the other of its intention.

2 If the dispute cannot be thus resolved as provided in paragraph 1 of the present Article, within 6 months from the date of the notice given thereunder, unless the parties have otherwise agreed, it shall, upon the request of either party to the dispute, be submitted to conciliation or arbitration to the International Center for Settlement of Investment Disputes between the States and Nationals of Other States (called the Center in this Agreement), established by the Convention on the Settlement of Investment Disputes between the States and Nationals of Other States opened for signature in Washington on March 18, 1965 (called the Convention in this Agreement). For this purpose, each Contracting Party hereby irrevocably consents in advance under Article 25 of the Convention to submit any dispute to the Center.

Article 14. Disputes between the Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through negotiations.

2. If any dispute cannot be thus settled, it shall upon the request of either Contracting Party be submitted to arbitration. The arbitral tribunal (hereinafter called the tribunal) shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be Chairman of the tribunal, appointed by agreement of the Contracting Parties.

3. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.

4. If the tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint an arbitrator or arbitrators not yet appointed. If the President is a national of either Contracting Partys State or if he is unable to make the necessary appointments because of any other reason, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Partys State or if he is unable to make necessary appointments because of any other reason, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make necessary appointments, and so on.

5. The tribunal shall reach its decision by a majority of votes.

6. The tribunals decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.

7. Each Contracting Party shall bear the costs of its own member of the tribunal and of its representation in the arbitration proceedings and half the costs of the Chairman and the remaining costs. The tribunal, may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Contracting Parties, and this award shall be binding on both Patties.

8. Apart from the above, the tribunal shall establish its own rules of procedure.

Article 15. Other Obligations

If the legislation of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties in addition to this Agreement, contain provisions resulting in a position entitling investments by investors of the other Contracting Party to treatment more favorable than is provided for by this Agreement, such provisions shall, to the extent that it is more favorable, prevail over this Agreement. Each Contracting Party shall j observe any commitment in accordance with its laws additional to those specified in this Agreement entered into force by the Contracting Party, its investors with regard to investors of ' the other Contracting Party as regards to their investments.

Article 16. Additions and Amendments

Amendments or additions to the present Agreement may be made by written agreement of the Contracting Parties, through protocols which shall be deemed to form part of the present Agreement.

Article 17. Entry Into Force, Duration and Termination

1. Each Contracting Party shall notify the other Contracting Party of the fulfillment of its internal legal procedures required for the bringing into force of this Agreement. The present Agreement shall enter into force on the thirtieth day from the date of notification of the latter Contracting Party.

2. This Agreement shall remain in force for a period of fifteen years. Thereafter, it shall remain I in force until the expiration of twelve months from the date that either Contracting Party in writing notifies the other Contracting Party of its decision to

terminate this Agreement.

3. in respect of investments made prior to the date when the notice of termination of this.t Agreement becomes effective, the provisions of Articles 1 to 15 shall remain in force for a; further period of ten years from that date.

IN WITNESS WHEREOF, the undersigned representatives, duly authorized thereto bv their respective Governments, have signed this Agreement.

Done in duplicate at Uzbekistan on 15 July 2003, in the English and Uzbek languages, each version being equally authentic. In the event of divergence in the text or interpretation, the English text shall prevail.

HE Sim Check Lim

Ambassador of the Republic of Singapore to Uzbekistan

For the Government of the Republic of Singapore

HE Elyor Ganiyev

Deputy Prime Minister and Chairman of the Agency for Foreign Economic Relations of Uzbekistan

For the Government of the Republic of Uzbekistan