AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

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

Seeking to advance and expand the business and economic relations between the Republic of Finland and the Republic of Uzbekistan based on equality and mutual benefit,

Desiring to create favourable conditions for increased investments in the territory of the two Contracting Parties,

Recognizing that the advancement and mutual protection of investments will stimulate business initiative and enhance the prosperity of both States,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

(a) The term "investment" means every kind of asset having to do with economic activities and in particular, though not exclusively, includes: (i) Movable and immovable property and other property rights such as interests and securities;

(ii) Company shares, stocks and other forms of shares in the assets of a legal person;

(iii) Title or claim to money or to any credits due or to any performance having an economic value;

(iv) Intellectual property rights, including rights having to do with various copyrights, patents, trademarks, service marks, trade names, industrial designs, trade secrets, technical processes and know-how and goodwill;

(v) Business concessions, including concessions to search for, cultivate, extract or exploit natural resources as well as all other rights which are conferred by law, agreement or decision by a duly appointed official;

(vi) Property having to do with investments as defined in this Agreement acquired by lease and for use by the lessee as the law allows;

(b) The term "investor" means: (i) Physical persons who are nationals of Finland or Uzbekistan under the law in force in their own country or legal persons which are established in the territory of Finland or Uzbekistan under the laws of each country and which are permitted under the laws of their own country to invest in the territory of the other Contracting Party;

(ii) Legal persons having their seat in the territory of either Contracting Party or in a third country where an investor of either Contracting Party has a vested interest;

(iii) Any legal person or physical person not covered by the specifications in paragraphs (i) and (ii), assuming that both Contracting Parties mutually and separately acknowledge that person and the investment plans of that person;

(c) The term "returns" means amounts of money and other assets acquired or to be acquired from investments and in particular, though not exclusively, includes gains, interest, dividends and royalties;

(d) The term "territory" means the State territory of both Contracting Parties as well as the economic zones, fishing zones and continental shelf of both Contracting Parties outside their territorial waters, in which both Contracting Parties may utilize their sovereign rights and legal power in the study, cultivation and preservation of natural resources.

Article 2. Applicability of Agreement

1. This Agreement shall apply to investments made under the laws of the Contracting Party in whose territory they are made.

2. Subject to the provisions of paragraph 1 of this article, this Agreement shall apply to all investments made in the territory of either Contracting Party by investors of the other Contracting Party both before and after the entry into force of this Agreement.

Article 3. Protection of Investments

Each Contracting Party shall, subject to its laws and regulations and in conformity with international law, at all times ensure fair and equitable treatment to the investments and returns of investors of the other Contracting Party.

Article 4. Preferential Treatment

Both Contracting Parties shall ensure fair and equitable treatment to the investments and returns on investments made in their own territory by the other Contracting Party.

1. Neither Contracting Party shall in its territory subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of an investor of any third State.

2. Investors of one Contracting Party whose investments suffer losses owing to war or other armed conflict, state of national emergency or insurrection in the other Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, accident compensation or other settlement, no less favourable than that which the latter Contracting Party accords to investors of any third State.

Payments resulting from the conditions set forth in the above paragraphs shall be made in freely exchangeable currency and shall be freely transferable. 3. The treatment outlined in paragraphs 1 and 2 of this article shall not, however, include preference, privilege or compensation which either Contracting Party accords to the investments and returns of an investor of any third State based on:

- Any agreement on any existing or future economic area, customs union or free-trade area;

- Any agreement on the prevention of double taxation;

- Any international agreement relating wholly or partly to taxation.

Article 5. Expropriation

1. Neither Contracting Party shall nationalize, expropriate or subject the investments of the other Contracting Party to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation"), except for a public purpose on a non-discriminatory basic and against prompt, adequate and effective compensation. Such compensation shall amount to the real value of the expropriated investment immediately before the expropriation or before the impending expropriation became public knowledge. Compensation shall be paid within two (2) months from the date of expropriation. During this time interest shall be added, at the normal commercial rate, to the compensation sum until the date of payment. Payment of compensation shall be made without delay and be freely transferable in any freely exchangeable currency at the official rate of exchange prevailing on the date used for determination of value. The investor affected shall have the right, under the law of the Contracting Party making the expropriation, to prompt review, by a judicial or other independent authority of that Contracting Party, of his or its case and of the valuation of his or its investments in accordance with the provisions set out in this paragraph.

2. If either Contracting Party, in accordance with the laws in force, expropriates a company or the assets of a company in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of this article are applied to the extent necessary to guarantee compensation to investors of the other Contracting Party.

Article 6. Transfer of Investment-related Payments, Returns and Movable Property

Both Parties shall allow without restrictions or undue delay, in any case within a period not exceeding three months, the transfer of movable property having to do with any investment as well as the transfer of investment-related payments in any freely convertible currency, including, in particular:

(1) Profits, dividends, interest payments, royalties, licence fees, commissions, technical assistance and technical service fees and other returns accruing from any investments of an investor of the other Contracting Party;

(2) Loans or payments in respect of any other corresponding contractual obligations;

(3) The proceeds from the total or partial liquidation or sale of any investment from which the investor benefits;

(4) The national earnings of an investor or any other earnings resulting from investment-related employment in the territory of that investment.

Article 7. Promotion of Investments

Each Contracting Party shall, under the laws of its own territory, encourage the protection of favourable conditions for existing or future business activities based on investments covered by this Agreement and concessions for the established investments and operations referred to in paragraph (a), (v) of article 1, including acquisition, transportation, financing and payment, and the consideration of concessions for raw materials, energy and workers.

Article 8. Disputes between a Contracting Party and an Investor

1. Any legal dispute between an investor of one Contracting Party and the other Contracting Party concerning an investment of the former in the territory of the latter which has not been amicably settled may, after a period of three months from written notification of a claim, be submitted for settlement at the request of either party to the dispute, either to:

(a) The International Centre for Settlement of Investment Disputes (herein-after referred to as "the Centre"), having regard to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington, D.C. on 18 March 1965,(1) in the event that both Contracting Parties have become parties to this Convention; or

(b) An international ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law(2) as then in force. The parties to the dispute may agree in writing to modify these Rules.

2. Notwithstanding the provisions of paragraph 1 of this article relating to the submission of the dispute to arbitration, the investor shall have the right to choose the conciliation procedure before the dispute is submitted for arbitration.

The arbitral awards shall be recognized and enforced by the Contracting Parties in accordance with the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

Article 9. Disputes between Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement should, if possible, be settled through negotiations.

2. If a dispute between the Contracting Parties cannot be settled, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. Those two members shall then select a national of a third State who, on approval by the two Contracting Parties, shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of the appointment of the other two members.

4. If within the periods specified in paragraph 3 of this article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting Party, or if he too is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party and who is not otherwise prevented from discharging the said function shall be invited to make the necessary appointments.

5. The arbitral tribunal shall reach its decision by a majority of votes. Such decision shall be binding on both Contracting Parties. The costs of the Chairman and the members of the tribunal shall be borne in equal parts by the Contracting Parties.

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 Contracting Parties. The arbitral tribunal shall determine its own procedure.

Article 10. Subrogation

If one Contracting Party or its designated agent makes a payment to an investor under a guarantee it has granted in respect of an investment, the said Contracting Party or its designated agent is entitled, by virtue of subrogation, to the same rights as are set forth in this Agreement.

Article 11. National Laws and International Agreements

The provisions contained in this Agreement shall not limit the rights and advantages which are awarded based on national laws and international rights.

Article 12. Entry Into Force, Duration and Termination of Agreement

1. This Agreement shall enter into force thirty (30) days after the date on which the Contracting Parties have notified each other, through the diplomatic channels, that the constitutional requirements for the entry into force of this Agreement have been fulfilled.

2. This Agreement shall remain in force for a period of fifteen (15) years. Thereafter it shall remain in force unless it is denounced in accordance with the provisions of paragraph 3 of this article.

3. Either Contracting Party may denounce this Agreement by giving notice through the diplomatic channels to the other Contracting Party one (1) year before the original period of fifteen (15) years or at any point thereafter.

4. With respect to investments made prior to the date when the termination of this Agreement becomes effective, the provisions of articles 1-11 shall continue in effect for a further period of fifteen (15) years after the date of termination.

DONE at Tashkent on 1 October 1992, in duplicate, in the Finnish and Uzbek languages, both texts being equally authentic.

For the Government of the Republic of Finland: PAAVO VAYRYNEN

For the Government of the Republic of Uzbekistan: V. ABDURAZZAKOV