

Agreement on promotion and protection of investment between the Government of the Republic of Iraq and the Republic of Armenia

The desire of both the Government of the Republic of Iraq and the Government of the Republic of Armenia, referred to as the "Contracting Parties,"

In creating the best conditions for the development of economic cooperation between them and severity in the field of investments made by Investors of one Contracting Parties to the territory of the other Contracting Party,

And recognizing that the encouragement and protection of such investments will lead to job stimulus initiative and increase Prosperity of both Contracting Parties,

They have agreed on the following:

Article 1. Definitions

For the purposes of this Convention:

1. The term "investments" means any kind of assets on the territory of one of the Contracting Parties that is owned by or under the direct or indirect control of an investor from the other Contracting Party that adds value to the economy, and include but are not limited to the following:
 - a. Stocks and shares, and other from participation in capital, bonds, secured bonds, other forms of debt interests in the company, debts, loans and other securities issued by any investor from a Contracting Party;
 - b. Claims to funds or other assets or carrying out a contract of economic value;
 - c. Intellectual property rights including but not limited to copyright, trademark and patents, industrial designs and models and technical processes, knowledge and trade secrets, trade names and goodwill;
 - d. Any right guaranteed by the law, the contract under any license or licenses granted by law and including the right of exploration and exploration and extraction and use of natural resources and the right to carry out economic and commercial activities related to investments or the provisions of services.
 - e. Any property, tangible and intangible and movable and immovable and any property rights related to it, such as rents, mortgages, franchises and guarantees.
2. The term "investment" also applies on revenue obtained for the purpose of re-investment and on results of liquidation as defined below.

Any change in the form of investment or re-investment of the assets does not affect the fact of that they are investments.
3. The term "investor" with respect to the Contracting Party means the following:
 - a. Natural person who holds the nationality of that Contracting Party by the laws in force.
 - b. Any moral entity established according to the law and the instructions of that Contracting Party such as establishments, development funds, agencies, facilities, and any other institution and authorities and companies.
 - c. (the company) means any legal entity, whether or not organized for the purpose of financial gain, and whether it is owned by private or government sector, or owned or controlled by, the founders under the Contracting Party or owned by laws or controlled effectively before contracting party investors, including companies and institutions, and partnerships, and branches, and joint ventures, and associations or other organizations similar to it.
4. Revenues, which include but are not limited to the amounts earned from the investment, regardless of the form in which

it they are paid, including dividends, interests, capital revenues, stock royalties, expenses arising from administrative services and technical aid or any wages or other expenses in addition to any payment in kind.

5. "Liquidation" means the total or partial disposal of the investment.

6. "Territory" means:

a. For the Republic of Armenia: land territory and inland waters and airspace of the Republic of Armenia where it exercises sovereign rights and the laws in accordance with the international law and domestic law in force.

b. For the Republic of Iraq: land territory, inland waters and territorial sea, and any area outside the territorial sea, which is considered under international law or Iraqi law, an area under the sovereignty of the Republic of Iraq and its law in accordance with international law.

7. "Freely Convertible Currency": means any currency defined by the International Monetary Fund from time to time as widely used in accordance with the articles of the International Monetary Fund Agreement and any amendments to it.

8. "Without Delay": means the period of time normally required to complete the necessary procedures to transfer payments. This period starts from the date of submission of the transfer request given that it does not exceed one month under any condition.

Article 2. Promotion and Admission of Investments

1. Each Contracting Party shall encourage investors of the other Contracting Party and create the best conditions for the investments of the other party on its territory and the right to exercise powers granted to them in accordance with the national legislation in the acceptance of these investments.

2. The investments of the investors of the Contracting Party enjoy, in all circumstances, fair and equitable treatment and safe and full protection on the territory of the other Contracting Party in a manner consistent with the principles of domestic legislation and the terms of this Agreement. Neither party has the right to take unreasonably harmful actions or racist actions against the management, maintenance, or the enjoyment and disposal of investments in the territory of investors of the other Contracting Party.

3. Once that is established, investments of either Contracting Party are not subject to additional requirements that may be detrimental to their effectiveness or adversely affect their use, management, implementation, expansion and sale or any other action in accordance with national legislation.

Article 3. Treatment of Investments

1. Each Contracting Party ensures, in accordance with the local legislation, treatment no less favorable than that provided to its own investors or investors of a third party under the same circumstances, the better conditions for those investments in the use, management, implementation, operation, expansion, sale or any change in investments in its territory carried out by the investor from the other Contracting Party

2. The terms of this Agreement is not to be interpreted as to oblige one Contracting Party to include investors of the other Contracting Party in the benefit of any transaction, preference or advantage derived from the following:

a. Any custom or economic union, free trade zone, financial union, any other form of regional economic organization or similar international agreement, where one Contracting Party is party to currently or in the future.

B) Any international, regional or bilateral or any similar agreement or any domestic legislation in whole or in part dealing with taxation.

Article 4. Compensation for Losses

1. Except for Article 6, if the investments of any of the Contracting Parties were damaged as a result of war, armed conflict, local state of emergency, revolution, civil unrest, insurrection, riot-control or other similar events in the territory of the other Contracting Party, the other Contracting Party shall provide it treatment no less favorable to that granted to third parties or to its own investors in terms of restoration of the situation, compensation or settlement, whichever is the most fit for the investor.

2 Without prejudice to the provisions of paragraph 1, investors of one of the Contracting Parties covered by the provisions of this paragraph who suffer from a loss in the territory of the other Contracting resulting from:

- a. Confiscation of their investments or part thereof by its forces or powers.
- b. the destruction of their investment or part thereof by its forces or powers outside of combat operations or not in the case of necessity.
- c. are quickly granted financial or in-kind compensation for damages and losses they have suffered that is, in all cases, sufficient and effective.

Article 5. Expropriation

1.
 - a. Investment projects belonging to investors from either of the Contracting Parties on the territory of the other Contracting Party cannot be nationalization, expropriated, changed, denied, or exposed to direct or indirect measures with an effect equivalent to nationalization, expropriation or change (collectively referred to as "Expropriation or Changes") by the other Contracting Party except upon public benefit related to internal needs and against fast adequate and effective compensation on the condition that these measures are not taken for discriminatory reasons and are in accordance with the applicability of the national legislation.
 - b. The amount of the compensation should reach the effective value of the expropriated investment and is calculated in accordance with the known/common international valuation principles on the basis of fair market value of the expropriated or changed investment at the time of the expropriation or the time of the declaration of the expropriation, whichever is faster (referred to as the valuation date). Compensations are calculated with convertible currency that is chosen by the investor on the basis of the common market exchange price of that currency at the valuation date. Interest is valued , in all cases, using the price of commercial exchange with the interest rate or equivalent from the date of expropriation until the date of the payment on the condition that it is not less than the LIBOR rate.
2. For more assurance, expropriation cases or change of ownership include the expropriation or change of the assets in companies or establishment established in accordance with the domestic legislation in force on its territory in which an investor of the Contracting Party has investments, including owning stocks, shares, bonds and other rights or interests.
3. For the purposes of this Agreement, the term expropriation or change of ownership also include de facto terms in the case that effects that any intervention or regulatory actions carried out by one of the Contracting Parties that entails de facto expropriation, as it gives the right to deprive the investor of the ownership, authority and benefits of his investments; result in a loss or harm to its economic value such as freezing or disabling investment; arbitrary or excessive taxation; compulsory sale of all or part of the investment or any similar actions.

Article 6. Transfers of Payments Related to Investment

1. Both Contracting Parties guarantee the investor of the other Contracting Party, the free transfer of all payments related to investment into and out of its territory in accordance with the national legislation.
2. All transfers are carried out according to Paragraph 1 without delay or restriction in the convertible currency, except in the case of in-kind payments and easily converted currency. In the event of such a delay in the required transfers, the investor affected shall be entitled to the benefits for the period of delay.
3. The hosting Party has the right, in the case of necessity to protect the balance of payment, to impose precautionary measures on the transfer process for 180 days (one hundred and eighty days), which could be extended for a period not exceeding 90 (ninety) days.

Article 7. Subrogation

1. If the Contracting Party or the institution of their choice (compensator party) pays an amount under the name of compensation or guarantee for non-commercial risks for the investment in the territory of the other Contracting (hosting Party), then the host Party shall recognize:
 - a. The transfer of all rights or claims arising out of this investment to the Party that pays the compensation, according to the law, from this investor.
 - b. The right of the compensating party to exercise these rights and the imposition of the claim and bearing of all obligations relating to investment under the present solutions.

2. The compensating party enjoys all circumstances the same treatment for the following:

a. The required rights and claims and obligations imposed accordingly based on the mandate referred to in paragraph 1 above.

b. Any payments received based on these rights and claims enjoyed by the investor, for which the original investor shall have the right under this Agreement with respect to this investment.

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

1. - Disputes between one of the Contracting Parties and an Investor of the other Contracting Party peacefully are settled peacefully through negotiations and compromise.

2. If an amicable settlement has not been reached after the use of non-judicial internal processes in 180 days (one hundred eighty) from the date of application for a peaceful settlement through a written notification, the dispute is submitted to be resolved by one of the following ways, at the choosing of the investor party:

a. National Court of the hosting Party

b. International Centre for Settlement of Investment Disputes (ICSID) established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, open for signature in Washington, on 18 March 1965 (the Washington Convention), according to the Additional Facility of the agreement, if one of the contracting parties is not a member.

c. Or a Court of Arbitration.

Each party appoints one arbitrator in the dispute, the two arbitrators appointed in this way, choose the third arbitrator by consensus to be president of the court, who must be a citizen of a third country with which both sides have diplomatic relations. All arbitrators must be appointed within two months from the date of notification of one Contracting Party to the other of its intention to submit the dispute to arbitration.

If the two arbitrators fail to agree on the appointment of the President of the arbitral tribunal, any of the parties to the dispute is entitled to request to appoint the Secretary-General of the Permanent Court of Arbitration in The Hague provided that the Secretary-General is not a national of a Contracting Party and if the Secretary-General of the of the Permanent Court of Arbitration is a national of one of the parties, the request is forwarded to her/his deputy, on the condition that the deputy is not a national of any of the contracting parties.

3. - The jury shall reach its decisions on the basis of a majority of the votes and the decisions are binding. The parties shall bear the expenses of the arbitrator appointed by them and the president of the court costs and other expenses alike.

4. An arbitration decision is final and binding on all and contracting parties shall recognize it and implement it according to the laws in force and systems in force.

5. Investors do not have the right to raise claims against the hosting nation in the case of the issuance of the court's final decision or an arbitration ruling on the dispute.

6. Investors have no right to file suits in national courts or any other court after three (3) years of the date of knowledge or the assumption of knowledge of the subject of the dispute.

7. With respect to the Republic of Armenia, a foreign investor who holds the nationality of the Republic of Armenia is considered a national of the Republic of Armenia for the purposes of applying the provisions of this Article.

8. With respect to the Republic of Iraq, a foreign investor who holds the nationality of the Republic of Iraq is considered a national of the Republic of Iraq for the purposes of applying the provisions of this Article

Article 9. Settlement of Disputes between Contracting Parties

1. Disputes arising between the contracting parties as a result of the interpretation or application of this Agreement are settled through consultations or diplomatic channels as much as possible.

2. - If it is not possible to settle the dispute within six (6) months after the date of the request for consultations or other diplomatic channels by any of the contracting parties and the Contracting Parties did not reach agreement otherwise in writing; any of them could present a request through a written notification to the other Contracting Party can to submit the

dispute to an arbitral tribunal under the provisions of this Article.

3. The arbitral tribunal is formed as follows: each Contracting Party shall appoint one member of the tribunal, those two select a citizen of a third country who is appointed as head of the arbitral tribunal with the approval of both contracting parties. The two members of the court are appointed within two months and the appointment of the president within four months from the date of the notification of one Contracting Party the other of its intent to raise the dispute to an arbitral tribunal.

4. If the necessary appointments were not done within the specified periods paragraph (3) of this Article, the request may be submitted by any Contracting Party to the President of the International Court of Justice to conduct these appointments if the President of the International Court of Justice is a national of any of the Contracting Parties or is not able to carry out the task in question, his deputy is invited to make the appointments if the deputy is also a national of any of the Contracting Parties or is not able to carry out the task in question, the member who followed in seniority and who is not a national of any of the parties contractors is invited to make the necessary appointments.

5. The arbitral tribunal reaches its decision by a majority vote and the decision shall be binding on the Contracting Parties. Each of the Contracting Parties bears the cost of the arbitrator appointed by it and of its representation in the arbitration proceedings. Both the Contracting Parties bear the costs of the president and other remaining costs shared equally between them. However, the tribunal could decide at its discretion that a Contracting Party bears the larger proportion of costs, in all cases, the arbitral tribunal define its own its procedures.

Article 10. Security Exceptions

Each party shall have the right to take any procedure that are necessary to protect its security and interests, including the following:

- The necessary measures to prevent and combat crime.
- The necessary measures to prevent the smuggling of weapons, ammunition and military equipment deals and any materials and services for military equipment and paramilitary or security organizations, either directly or indirectly.
- - Business related to the implementation of national policies or international agreements to prevent the spread of nuclear weapons and nuclear or non-nuclear explosives.
- Implementing its obligations global peace and security keeping in accordance with the Charter of the United Nations.
- Actions taken by one of the Contracting Parties in time of war or emergency.
- Necessary measures to protect the environment from pollution.

Article 11. Financial Procedures Relating to National Legislation

The application of the provisions of this agreement the enforcement of the national legislation of the host country in the fight against corruption, money laundering and the decomposition of the obligations arising from investment contracts.

Article 12. Application of other Rules

If the laws of a Contracting Party or the obligations under existing international law in force at present or in the future between the Contracting Parties contain provisions, whether public or private, that give investors the other Contracting Party treatment more favorable than is provided for in this agreement, such more favourable provisions prevail over this agreement.

Article 13. Scope of Application

TThis Convention applies to all investments at or after the entry into force of this agreement by the investors of either Contracting Party in the territory of the other Contracting Party.

Article 14. Entry Into Force

Each Contracting Party notifies the other party in writing the completion the constitutional requirements for the entry into force of this Convention, the Convention enters into force on the thirtieth day after the date of receipt of the final

notification.

Article 15. Duration, Amendments and Termination

1. This agreement shall remain in force for a period of ten (10) years and will continue well into (5) years unless one of the contracting parties notified the other Contracting Party in writing and at least one year from the date of completion of its intention to terminate this Agreement.
2. This Agreement may be modified by mutual consent between the contracting parties. These amendments will enter into force in accordance with Article 14 of this Convention.
3. For investments made before the termination of this Agreement, the Articles of this agreement shall remain in force for a period of five (5) Years from the date of termination.

In witness thereof, the representatives below, who are authorized by the Contracting Parties, have signed this Convention.

Done in Baghdad, on the seventh of November 2012 in Arabic, Armenian and English. All texts being equally authentic, and in case there is any difference in interpretation, the English text shall prevail.

For the Government of the Republic of Armenia

For the Government of the Republic of Iraq