AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TÜRKiYE AND THE GOVERNMENT OF THE BOLIVARIAN REPUBLIC OF VENEZUELA ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Türkiye and the Government of the Bolivarian Republic of Venezuela, hereinafter referred to as jointly and separately, "the Contracting Parties," or, individually, "the Contracting Party";

DESIRING to strengthen friendship ties and develop the spirit of continuous cooperation between the Contracting Parties;

DETERMINED to encourage fmiher cross-border economic cooperation between the Contracting Paities, patticularly concerning cross-border direct investments by the investors of a Contracting Party in the territory of the other Contracting Party;

INTENDING to establish and maintain favourable conditions for investments by the investors of a Contracting Patty in the territory of the other Contracting Party;

RECOGNIZING the significance of cross-border direct investments in technology transfer, establishment of added-value chains, adoption of new ways of production, promotion of exports, diversification of production matrix, import substitution, economic growth, stimulation of capital flow, job creation, and development of the Contracting Parties, among others;

CONVINCED that these objectives can be attained without relaxing health, security and environment measures of general application, as well as internationally recognized labour rights;

Have agreed as follows:

Article 1. Purpose

This Agreement is intended to establish, maintain and consolidate a legal framework to facilitate and promote reciproca! cross-border direct investments made by the investors of the Contracting Parties in order to promote the harmonious, productive and sustainable development of both States, while respecting the sovereignty and self-determination of each of the Contracting Parties, as well as their national laws and regulations, and international law.

Article 2. Definitions

For the purposes of this Agreement:

1. The term "investment" means every kind of asset, connected with business activities, acquired with cross-border funds which origin is different from the hosting Contracting Party for the purpose of establishing lasting economic relations in the territory of a Contracting Party in conformity with its national laws and regulations, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, the assumption of risk, contribution to economic development, or a certain duration, and shall include in particular, but not exclusively:

(a) movable or immovable property, and any other property rights, such as mortgages, liens, pledges and any other similar rights in accordance with the national laws and regulations of the Contracting Party where the property is situated;

(b) reinvested returns;

(c) shares, securities, bonds, and debentures issued by corporations and any other similar forms of interest in any kind of companies;

(d) rights over sums of money, or any other right to a payment which is related to the economic value of an investment;

(e) intellectual property rights, namely: copyrights, patents, utility models, industrial models and designs, trademarks, know-how, and goodwill, and

(f) economic rights, namely: business concessions, licenses or authorizations granted by law or by contract, including concessions to search for, process, extract and exploit natural resources.

2. For the avoidance of doubt, the term "investment" shall not include the following:

(a) immovable property or any other assets, tangible or intangible, that are not used or have not been acquired with the expectation of using them for the purpose of obtaining economic benefits or for other business purposes;

(b) an arder, decision or award issued by a court, administrative authority or arbitral tribunal;

(c) debt securities issued by a Contracting Party or loans granted by a Contracting Party to the other Contracting Party, bonds, debentures, loans and any other debt instruments of a State-owned company of a Contracting Party, which that Contracting Party treats as public debt;

(d) portfolio investments, which do not grant to the investor a significant degree of influence over the management of a company or corporation; or

(e) claims to money exclusively derived from trade agreements for the sale of goods or services by a national or a company in the territory of a Contracting Party to a national or a company in the territory of the other Contracting Party, or the granting of credit in relation to a business transaction.

3. Any alteration of the form in which assets or rights are invested or re-invested shall not affect their character as investments, provided that such alteration is made in accordance with the national laws and regulations of the hosting Contracting Party. Where an asset lacks the characteristics of an investment, that asset is not an investment regardless of the form it may take.

4. The term "investor" means:

(a) a natural person having the nationality of a Contracting Party in accordance with its national laws and regulations, that has made an investment in the territory of the other Contracting Party and that does not hold the nationality of the hosting Contracting Party;

(b) legal entities, including companies, corporations and other business associations and organizations for profit, incorporated or organized under the national laws and regulations of a Contracting Party, having their registered offices and substantial business activities in the territory of the said Contracting Party, provided that they are not owned or controlled by the nationals of the hosting Contracting Party.

5. The term "returns" means: the amounts yielded by anínvestmentincluding interests, capital gains, dividends, income, and fees for technical assistance and management, payments in kind, and any other payments regardless of their type.

6. The term "territory" means:

(a) in respect ofthe Republic of Türkiye, the land tenitory, interna! waters, the territorial sea and the airspace above them, as well as the rnarítime areas over which Türkiye has sovereign rights or jurisdiction for the purpose of exploration, exploitation and preservation of natural resources, whether living or non-living, pursuant to international law.

(b) in respect of the Bolivarian Republic of Venezuela; the territory of the Bolivarian Republic of Venezuela which is under its sovereignty, as well as the area outside the territorial waters, airspace, and submarine areas, over which the Bolivarian Republic of Venezuela exercises sovereign rights and jurisdiction in respect of any activity carried on in its exclusive economic zone, seabed, subsoil in connection with the exploration for or theexploitation of the natmal resources in accordance with international law.

Article 3. Scope of Application

1. This Agreement shall apply to the investments in the territory of a Contracting Party, made in accordance with its national laws and regulations by investors of the other Contracting Party either before or after the entry into force of this Agreement.

2. However, this Agreement shall not apply to any disputes that have arisen before its entry into force or any measure that has been taken before the entry into force of this Agreement even if their effects persist thereafter.

Article 4. Promotion and Protection of Investments

1. Subject to its national laws and regulations, each Contracting Party shall encourage and create favourable conditions for the investors of the other Contracting Party to make investments in its territory.

2. Investments made by investors of each Contracting Party shall at all times be accorded treatment in accordance with the international law mínimum standard of treatment, including "fair and equitable treatment" and "full protection and security" in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair the management, maintenance, use, operation, enjoyment, expansion, sale, liquidation, or disposal of such investments by arbitrary or discriminatory measures.

3. Far the avoidance of doubt:

(a) the concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to, or beyond, what is required under the customary international law minimum standard of treatment of aliens, and

(b) a determination that there has been a breach of another provision of this Agreement or of a separate international agreement, < does not establish that this Article has been breached.

4. The obligation in paragraph 2 of this Article to provide:

(a) "fair and equitable treatment" includes the obligation not to deny justice in criminal, civil or administrative adjudicatory proceedings in accordance with the principle of due process; and

(b) "full protection and security" requires each Contracting Party to take such measures as may be reasonably necessary to ensure the physical protection and security of the investment of an investor of the other Contracting Party, based on the standards that are guaranteed by the hosting Contracting Party.

5. Any extension, alteration or transformation of an investment shall be made in accordance with the national laws and regulations of the hosting Contracting Party.

6. With a view to increasing direct cross-border investment flows, each Contracting Party shall, upon request of the other Contracting Party, inform the latter of any investment opportunities in its territory.

7. For the purposes of monitoring the behaviour of investment flows, the investors of each Contracting Party must inform the competent national authority on investment matters about the investments made in accordance with their national laws and regulations.

Article 5. Treatment of Investments

1. Each Contracting Party shall admit in its territory investments on a basis no less favorable than that accorded in like circumstances to investments of investors of any third State, within the framework of its national laws and regulations.

2. Each Contracting Party shall accord to the investments, once established, treatment no less favourable than that accorded in like circumstances to investments of its investors or to investments of investors of any third State, whichever is the most favourable, as regards the management, maintenance, use, operation, enjoyment, expansion, sale, liquidation or disposal of the investment, within the framework of its national laws and regulations.

3. Each Contracting Party, in accordance with its national laws and regulations, shall favourably consider applications for the entry and sojourn of the nationals of the other Contracting Party for making and carrying through of an investment.

4. The provisions of this Article shall not be construed so as to oblige a Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege that may be extended by the hosting Contracting Party by virtue of an international agreement or arrangement relating wholly or mainly to taxation.

5. The Most-Favoured-Nation provisions in this Agreement shall not apply to all existing or future advantages accorded by either Contracting Party by virtue of its membership or partnership in a customs, economic or monetary union, a con1mon market ora free trade area, to their own nationals or companies, the member states of the said un.ion, common market or free trade area, or any third State.

6. The Most-Favoured-Nation provisions in this Article does not include nor apply to any dispute settlement procedures or mechanisms between the investors and the Contracting Parties, such as those included in Article 12 of this Agreement.

7. The provisions of Articles 4 and 5 of this Agreement shall not compel a Contracting Party to accord to the investments

made by the investors of the other Contracting Party the same treatment accorded to the investments made by its own investors with respect to the acquisition of land, real estate and rights in rem in accordance with its national laws and regulations.

Article 6. General Exceptions

1. Nothing in this Agreement shall be construed as preventing a Contracting Party from adopting or enforcing non-discriminatory legal measures:

(a) designed for the protection of human, animal or plant life or the environment;

(b) intended to enforce rules and regulations not inconsistent with the provisions in this Agreement; or

(c) related to the conservation of living and non-living exhaustible natural resources.

2. Nothing in this Agreement shall be construed as:

(a) requiring either Contracting Party to grant or allow access to any information, the disclosure of which it determines to be contrary to its essential security interests; as well as preventing either Contracting Party from taking any action that is deemed as necessary to protect its essential security interests;

(i) regarding the traffic of firearms, ammunition, and war implements and for the traffic and transaction in any other goods, materials, services, and technology, either directly or indirectly, in order to provide military service or any other security site;

(ii) taken in time of war or any other emergency in international affairs; or

(iii) in relation to the implementation of national policies or international agreements respecting non-proliferation of nuclear weapons or any other nuclear explosive devices; or

(b) precluding either Contracting Party from discharging its obligations under the Charter of the United Nations to maintain or restore international peace and security.

3. Nothing in this Agreement shall be construed as preventing a Contracting Party from adopting or maintaining reasonable measures, such as:

(a) the protection of investors, depositors, participants in the financial market, policy holders, policy applicants or persons to whom a fiduciary duty is owed by a financial institution;

(b) the maintenance of the security, soundness, integrity or financial liability of financial institutions; ar

(c) the assurances far the safety and soundness of the financial system of a Contracting Pmty.

4. The adoption, maintenance, or implementation of the said measures is subject to the requirement that they are not applied in an arbitrary or unfair manner or constitute a disguised restriction on the investments of investors of the other Contracting Party.

Article 7. Expropriation

1. Investments made by the investors of the other Contracting Party shall not be expropriated, nationalized or subject, either directly ar indirectly, to measures with similar effects (hereinafter referred as expropriation) by the hosting Contracting Party, except for a public purpose or ínterest, in a non-discriminatory maimer, upon payment of prompt, adequate and effective compensation, and in accordance with its national laws and regulations.

2. The amount of compensation shall be equivalent to the market value of the expropriated investment, immediately before the nationalization or expropriation measures were taken or became public knowledge.

3. Compensation shall be payable in a freely convertible currency. In the event that payment of compensation is delayed, it shall include interest calculated at a risk-free rate, which may not exceed Euribor rate, from the date of the compensation is due, according with the natíonal laws and regulations of the hosting Contracting Party, until the date of payment.

4. Non-discriminatory legal measures, designed and implemented to ensure legitimate objectives of public welfare, such as health, security, and the environment, do not constitute indirect expropriation.

5. The affected investors shall have the right, under the national laws and regulations of the Contracting Party undertaking the expropriation, to resort to the judicial authorities of said Contracting Party to review the amount of compensation and

the legality of said expropriation or comparable measures.

Article 8. Compensation for Losses

1. The investors of either Contracting Party whose investments in the territory of the hosting Contracting Party suffer losses owing to war, uprising, civil turmoil, national state of emergency or any other similar events shall be accorded, by way of redress, indemnity, compensation or other settlement, treatment no less favourable than that accorded to its own investors or to the investors of any third State, whichever is the most favorable treatment, as regards any measures it adopts in connection with such losses.

2. Without prejudice to paragraph 1, investors of one Contracting Party who in any of the situations referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from destruction of their property by its forces or authorities, which was not caused in combat action or was not required by the necessity of the situation; shall be accorded restitution or compensation which in either case shall be prornpt, adequate and effective. Resulting payments shall be freely convertible.

Article 9. Repatriation and Transfers

1. Each Contracting Party shall allow the investors of the other Contracting Party to make investment-related transfers, including, but not limited to, the following:

(a) initial contribution and seed capital, and additional contributions to maintain or increase the investment;

(b) returns directl y related to the investment;

(c) the proceeds of the full or paitial sale or the liquidation of part or the entirety of an investment;

(d) compensation amount under Articles 7 and 8;

(e) reimbursements and payment of interests accrued on loans related to the investments;

(f) wages, salaries and other compensation received by the nationals of a Contracting Party, having the relevant work permits in the territory of the other Contracting Party in relation to an investment; or

(g) the payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which the investment has been made or any other convertible currency at the exchange rate effective on the date of the transfer, unless otherwise agreed by the investor and the hosting Contracting Party. In the process of making the transfer, the tax obligations established by the national laws and regulations of the hosting Contracting Party shall be observed.

3. Notwithstanding the provisions set out in paragraphs 1 and 2, a Contracting Party may impede a transfer by means of the equitable, non-discriminatory and bona fide enforcement of its national laws and regulations, concerning:

(a) bankruptcy, insolvency or protection of creditors' rights;

(b) issue, trade or negotiation of securities;

(c) crimes or criminal offenses;

(d) records of money transfer or any other money instruments;

(e) fulfilment of judgments or awards in awarding procedures;

(f) establishment of the necessary instruments or mechanisms to ensure the payment of income tax by such means as the withholding of the amount related to dividends and other items.

4. Neither Contracting Party shall compel its investors to transfer, or punish its investors for not transferring, income, profits, or any other amounts derived from or attributable to investments in the territory of the other Contracting Party.

5. Paragraph 4 shall not be construed as preventing a Contracting Party from imposing any measure by means of the equitable, non-discriminatory and bona fide enforcement of its national laws and regulations related to the provisions laid down in paragraph 3.

6. Notwithstanding the provisions set out in paragraph 1 of this Article, each Contracting Party shall be entitled, under

circumstances of exceptional or serious troubles with the balance of payments, to restrain provisionally the transfers, in an equitable, non-discriminatory manner, and in accordance with internationally accepted standards. The restrictions adopted or maintained by a Contracting Party under this Agreement, as well as the removal thereof, shall be promptly reported to the other Contracting Party.

Article 10. Subrogation

1. The Contracting Party, or a public or private entity duly authorized by the Contracting Party, indemnifying an investor under an insurance or other guarantee against noncommercial risks in relation to its investment in the territory of the other Contracting Party, shall be subrogated in the rights of the investor under this Agreement.

2. Subrogated rights or claims shall not exceed the original rights or claims of the investor. Any disputes that may arise between a Contracting Party and an insurance company shall be settled in accordance with the provisions of Article 12 of this Agreement.

Article 11. Settlement of Dispute between the Contracting Parties

The Contracting Parties shall, to the extent possible, settle any dispute concerning the interpretation or application of this Agreement tlu·ough consultations or diplomatic channels, when the ability of the Joint Committee to adopt interpretations in this respect proves insufficient.

Article 12. Settlement of Disputes between a Contracting Party and Investors of the other Contracting Party

1. Any dispute related to the investments that may arise between a Contracting Party and an investor of the other Contracting Party with respect to the issues regulated by this Agreement, shall be notified in writing by the investor to the hosting Contracting Party. The written notice shall include detailed information about the claim and shall note the provisions of the Agreement deemed as violated, the grounds upon which the dispute is based, the estimated value of claimed damages and the pursued compensation. To the extent possible, the investor and the hosting Contracting Party shall strive to settle the dispute tlu·ough consultations and direct negotiations in good faith.

2. If the dispute fails to be settled amicably within six (6) months following the date of reception of the written notice mentioned in paragraph 1 of tbis Article, then the dispute may be submitted, at the investor's choice, to:

(a) the competent court of the Contracting Party where the investment was made; or

(b) an ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), approved by the United Nations General Assembly on 15 December 1976 (1) or;

(1) Both Contracting Parties agree that the text of UNCITRAL Arbitration Rules as adopted on 15 December 1976 will be applicable.

(e) any other arbitration institution or any other arbitration rules, if the disputing parties so agree in writing.

3. An investor may submit to arbitration any of the disputes referred to in paragraph 1, in accordance with paragraph 2, only if:

(a) the investor has consented to it in writing;

(b) the investor has waived its right to bring or continue any other proceeding in connection with the measure it alleges constitutes a breach of this Agreement before the courts or tribunals of the relevant Contracting Party or in any other kind of dispute settlement procedure; and

(e) no more than three (3) years have elapsed since the date when the investor first learned, or should have learned, of the alleged breach.

4. Upon submission by the investor of the dispute to one of the dispute settlement forums mentioned in paragraph 2, the election of one of these forums shall be final.

5. The arbitration shall rely on:

(a) the provisions laid down in this Agreement;

(b) the national laws and regulations of the hosting Contracting Party, including its rules on conflict of laws, and consensual interpretations adopted by the Joint Committee established under this Agreement; and

(e) the generally accepted principles of international law.

6. The arbitral award shall be final and binding upon all the parties in dispute. Each Contracting Party shall execute the arbitral award according to its national laws and regulations.

Article 13. Denial of Benefits

1. The benefits of this Agreement may be denied at any time by the hosting Contracting Party, even after a claim has been lodged under the dispute settlement mechanism of this Agreement and provided that either of the following conditions shall be met:

(a) a company is directly or indirectly controlled, or under a significant degree of influence from, individuals or corporations of a country that is not a party to this Agreement and that company does not have any substantial business activities in the territory of the other Contracting Party;

(b) a company is directly or indirectly controlled by, or under a significant degree of influence from, individuals or corporations of the denying Contracting Party and that company does not have any substantial business activities in the territory of the other Contracting Party.

2. The denying Contracting Party, to the extent possible, shall notify the other Contracting Party before denying the benefits.

Article 14. Environmental and Labour Measures

1. None of the provisions set out in this Agreement shall be construed as preventing a Contracting Patty from adopting, maintaining or enforcing any measure it deems appropriate to ensure that the investment activities in its territory shall be carried out in accordance with its environmental laws and regulations, and its labour laws and regulations, provided that such measures are proportional to the objectives sought.

2. The Contracting Parties recognize that it is not appropriate to encourage investment by lowering the standards of their environmental and labour measures. Consequently, a Contracting Party shall not cease from requiring or abrogating, or obtaining such measures to encourage the establishment, acquisition, expansion or retention of an investment or an investor in its territory.

Article 15. Joint Committee

1. The Contracting Parties have established hereby a Joint Committee, composed of the representatives of Türkiye and Venezuela.

2. The first meeting of the Joint Committee shall be held the year after the date of entry into force of this Agreement.

3. Thereafter, the Joint Committee shall meet every two years in Ankara and Caracas, alternately, unless otherwise agreed by the Contracting Parties.

4. The Joint Committee shall be co-chaired by the Minister of Industry and Technology of Türkiye and the Venezuelan Minister responsible for International Investment, or their respective appointees.

5. The Joint Committee shall agree on its meeting schedule and set out its agenda.

6. The Joint Committee shall be empowered to:

(a) establish or dissolve sub-committees, working groups and any other task forces, or assign responsibilities to them;

(b) contact all the stakeholders, including the prívate sector and non-governmental organizations, through the government of the relevant Contracting Party;

(c) adopt, by consensus, interpretations of the provisions of this Agreement, which shall be binding upon the Contracting Parties and all the entities set up under this Agreement, including the arbitration panels referred to in dispute settlement mechanism;

(d) make reconm1endations as set forth in this Agreement;

(e) adopt its own regulations.

7. The Joint Committee shall have a duty to:

(a) ensure the proper implementation of this Agreement;

(b) supervise and facilitate the enforcement and implementation of this Agreement and promote its general objectives;

(c) supervise the work of sub-committees, working groups and any other task forces set up hereunder;

(d) any other relevant issue within the scope of this Agreement.

Article 16. Consultation and Exchange of Information

The Contracting Parties may agree, at any time, at the request of either Contracting Party, to enter into consultations on the interpretation or application of this Agreement. At the request of either Contracting Party, information shall be exchanged on the measures taken by the other Contracting Party having a potential impact on new investments, existing investments, or returns covered by this Agreement.

Article 17. Service of Documents

Notices and other documents in disputes under Article 12 (Settlernent of Disputes between a Contracting Party and Investors of the other Contracting Party) shall be served on Türkiye by delivery to:

Cumhurbaşkanlığı Hukuk ve Mevzuat Genel Müdürü

Cumhurbaşkanlığı Külliyesi

06560 Beştepe-Ankara

Türkiye

(General Directorate of Law and Legislation of Presidency

Presidential Complex

06560 Beştepe - Ankara

Türkiye)

Notices and other documents in disputes under Article 12 (Settlement of Disputes between a Contracting Party and Investors ofthe other Contracting Party) shall be served on Venezuela by delivery to:

Ministry of People's Power ofEconomy, Finance and Foreign Trade Office of Integration and International Affairs

Ministry Headquarters Building, Av. Urdaneta. Carmelites

Caracas, 1010,

Venezuela

Article 18. Entry Into Force, Validity, Amendment and Denunciation

1. This Agreement shall enter into force sixty (60) days after the date of receipt of the last notification sent by the Contracting Parties, in writing and through diplomatic channels, of the completion of the respective internal legal procedures necessary for this purpose.

2. This Agreement shall remain in force for a period of ten (10) years and shall continue in force unless terminated pursuant in accordance with this Article.

3. Either Contracting Party may, by written notice to the other Contracting Party one (1) year in advance, termínate this Agreement at the end of the initial ten (10) year period or at any time thereafter.

4. This Agreement may be amended by mutual written consent of the Contracting Parties at any time. Amendments shall enter into force in accordance with the same legal procedures prescribed in this Article.

5. In the event of termination, the provisions of Articles 1 through 17 of this Agreement shall continue in effect for a period of five (5) years following the date of termination.

IN WITNESS WHEREOF, the undersigned representatives, duly authorized by their respective governments, have signed this Agreement.

DONE in duplicate at Istanbul on July 21, 2023, in the Turkish, Spanish, and English languages, all texts being equally authentic.

In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF TÜRKIYE

Hakan Fidan

Minister of Foreign Affairs

FOR THE GOVERNMENT OF THE BOLIVARIAN REPUBLIC OF VENEZUELA

Yvan Gil

Minister of People's Power of Foreign Affairs