

# AGREEMENT

Between the Russian Federation and

Government of the Republic of Uzbekistan

On encouragement and mutual protection of investments

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

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

Recognizing that the promotion and reciprocal protection of investments on the basis of this Agreement will stimulate the flow of capital and promote the development of mutually beneficial trade-economic and scientific and technical cooperation, have agreed as follows:

## Article 1. Definitions

For the purposes of this Agreement, the following definitions shall mean:

a) "investor" - any individual or legal entity of one of the Contracting Parties to make investments in the territory of the other Contracting Party:

- A natural person - any natural person who is a citizen of the Contracting Party of the state in accordance with its laws and regulations;

- A legal person - any legal entity created or organized in accordance with the laws of the Contracting Party;

b) "investment" - all kinds of assets are invested state investor of one Contracting Party in the territory of the other Contracting Party in accordance with the law of the State of the latter Contracting Party in the territory of which the investments of the state, and in particular:

Movable and immovable property;

Shares, stocks and other forms of participation in the capital of commercial organizations;

A claim on the funds invested to create economic value or that have an economic value and associated with an investment;

Exclusive rights to intellectual property (copyrights, patents, industrial designs, models, trademarks or service marks, technology, information having a commercial value, and know-how);

Right to engage in entrepreneurial activity, provided by the legislation of each of the Contracting Parties or the agreements concluded in accordance with the laws of each of the Contracting Parties, including, in particular, related to the exploration, development, production and exploitation of natural resources.

No change in the form of investment does not affect their qualification as investments if such change does not contradict the legislation of the State of the Contracting Party in whose territory the investments were made;

c) "income" - any funds derived from the investments in the territory of the Contracting Parties, including profits, interest, dividends, royalties, license, commission and other fees;

d) "territory of the State of the Contracting Party" - the territory of the Russian Federation or the territory of the Republic of Uzbekistan, respectively, and for the Russian Federation as the exclusive economic zone and continental shelf, defined in accordance with the United Nations Convention on the Law of the Sea of 10 December 1982;

e) "State law of a Contracting Party" - laws and other normative legal acts of the Russian Federation or the laws and other normative legal acts of the Republic of Uzbekistan respectively.

## **Article 2. Promotion and 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 admit such investments in accordance with its laws and regulations.

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

## **Article 3. Investment Regime**

1. Each Contracting Party shall ensure in its territory fair and equitable treatment of investments of investors of the other Contracting Party for the management and disposal.

2. referred to in paragraph 1 of this Article Mode, must be no less favorable than the treatment accorded to investments of its own investors or investors of any third state, depending on which of these modes, at the investor's opinion is more favorable.

3. Each Contracting Party reserves the right to apply and introduce exemptions from national treatment to foreign investors and their investments, including investments reinvested.

4. Treatment granted in accordance with paragraph 2 of this Article shall not apply to the advantages which the Contracting Party is providing or will provide in the future:

In connection with participation in a free trade area, customs union or any similar economic integration entities;

On the basis of agreements to avoid double taxation or other agreements on taxation.

5. Without prejudice to the provisions of Articles 4, 5 and 8 of this Agreement, the Contracting Party shall accord to investments of investors of the other Contracting Party and their activities in connection with such investments treatment no more favorable than that Contracting Party shall, in accordance with Appendix 1B to Marrakech Agreement Establishing the World Trade Organization on 15 April 1994.

## **Article 4. Expropriation**

1. Investments of investors of one Contracting Party made in the territory of the other Contracting Party may not be subjected to compulsory withdrawal is tantamount to expropriation or nationalization (hereinafter - the expropriation), except in cases where these measures are carried out in the public interest, subject to the procedure established in accordance with the law of the state of the other Contracting Party, are not discriminatory and entail the payment of prompt, adequate and effective compensation.

2. The compensation shall correspond to the market value of the expropriated investment calculated on the date when the official was aware of the actual or impending expropriation. Compensation shall be paid without delay in a freely convertible currency and is translated from the territory of one Contracting Party in the territory of the other Contracting Party in accordance with Article 6 of this Agreement. From the date of expropriation until the date of payment of compensation in the amount of the compensation will bear interest at a commercial rate established on a market basis, but not less than the London Interbank Offered Rate (LIBOR) on six-month dollar-denominated loans.

## **Article 5. Damages**

State Investors of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party due to war, civil unrest or other similar circumstances, provided in respect of restitution, indemnification, compensation or other settlement mode, the most favorable of those latter Contracting Party It provides investors with a third country or

Investors of the state in respect of measures taken by it in connection with such damage.

## **Article 6. Transfer of Payments**

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the transfer of payments related to investments, to the territory of the first Contracting Party without any restrictions after the fulfillment of all tax and other similar obligations under the legislation of the state of the first Contracting Party, and in particular:

- a) the initial capital and any additional funds used to maintain or expand the investment;
- b) income;
- c) the compensation provided for by Articles 4 and 5 of this Agreement;
- d) funds received in connection with the partial or total liquidation or sale of investments;
- e) funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as the accrued interest;
- f) wages and other remunerations received by the investor and the state natural persons of the other Contracting Party who are allowed to work in connection with investments in the territory of the first Contracting Party;
- g) payments arising from the settlement of disputes in accordance with Article 8 of this Agreement.

2. Transfers of payments are made without delay in a freely convertible currency at the rate applicable on the date of transfer, in accordance with the currency legislation of the State of the Contracting Party in whose territory the investments are made.

## **Article 7. Subrogation**

Contracting Party or its designated agency, which made a payment to the investor on the basis of guarantees against non-commercial risks in connection with its

Investments in the territory of the other Contracting Party will be able to exercise by subrogation the right of the investor to the same extent as the investor. These rights shall be exercised in accordance with the law of the State of the latter Contracting Party.

## **Article 8. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Parties**

1. Disputes between one Contracting Party and an investor of the other Contracting Party arising in connection with the investment of an investor in the territory of the first Contracting Party, including disputes relating to the size, conditions, or order the payment of compensation in accordance with Articles 4 and 5 of this Agreement or order transfer payments under Article 6 of this Agreement shall be resolved as far as possible by negotiations.

2. If the dispute can not be settled through negotiation within six months from the date of the request of any party to a dispute to resolve it through negotiations, it is at the investor's choice can be submitted to the competent court or the state arbitration of the Contracting Party in the territory of which made investments, or to the arbitration court as in accordance with the arbitration Rules of the international trade law of the United Nations Commission (UNCITRAL) or the international Centre for settlement of investment disputes, established pursuant to the Convention on the settlement of investment disputes between States and Nationals of other States, signed in Washington on March 18, 1965, to resolve the dispute in accordance with the provisions of the Convention (provided that it has entered into force for both Contracting Parties) or in accordance with the Additional Facility rules of the International Centre for settlement of investment disputes (in the case if the Convention is not in force for one of the Contracting Parties or both of them).

3. The arbitration award shall be final and binding on both parties to the dispute. Each Contracting Party undertakes to provide the execution of such a decision in accordance with the laws of the state.

## **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 settled by negotiation between them.

If in this way the dispute is not settled within six months from the beginning of negotiations, at the request of either Contracting Party, he referred to the arbitral tribunal as.

2. The arbitral tribunal shall be constituted for each individual case, for which each Contracting Party shall appoint one

member of the arbitration tribunal within two months from the date of receipt of the notification of the arbitration proceedings. Then, these two members shall select a national of a third State, who on approval of the two Contracting Parties shall be appointed Chairman of the arbitral tribunal within a month from the date of appointment of the last of the other two members of the arbitral tribunal.

3. If within the period specified in paragraph 2 of this Article, the necessary appointments have not been made, in the absence of any other agreement, any Contracting Party may request the International Court of Justice with a request to make such appointments. If the President of the International Court of Justice is a national of either Contracting Party or is otherwise unable to discharge the said function, then make the necessary appointments invited the Deputy President of the International Court of Justice. If the deputy chairman of the International Court of Justice is also a national of either Contracting Party or is otherwise unable to discharge the said function, then make the necessary appointments offered to the next-highest member of the International Court of Justice for him, which is not a national of either Contracting Party.

4. The arbitral tribunal shall render its decision by majority vote. This decision is final and binding on the Contracting Parties. Each Contracting Party shall bear the expenses related to the activities of its designated member of the court, and with his representation in the arbitral proceedings. The costs associated with the arbitration court Chairman and other expenses The Contracting Parties shall bear in equal shares. Court of Arbitration, however, may provide in its decision that one of the Contracting Parties shall bear a larger share of spending, and that decision will be binding on both Contracting Parties. The arbitral tribunal shall determine its own procedure.

## **Article 10. Consultations**

The Contracting Parties shall at the request of any of them, shall hold consultations on matters relating to the interpretation or application of this Agreement.

## **Article 11. Application of the Agreement**

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party, starting from January 1, 1992 but does not apply to disputes as to the facts and actions that occurred prior to the entry into force of this Agreement.

## **Article 12. Entry Into Force and Duration of the Agreement**

1. Each Contracting Party shall notify the other Contracting Party of the completion of internal procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the date of the later of the two notifications.

2. This Agreement shall remain in force for a period of fifteen years. After this period it shall be automatically extended for successive five-year periods, unless either Contracting Party notifies the other Contracting Party at least twelve months before the expiration of the period of its intention to terminate this Agreement.

3. This Agreement may be amended by mutual written agreement of the Contracting Parties. Any changes will take effect after each Contracting Party shall notify the other Contracting Party of the fulfillment of all internal procedures necessary for the entry into force of such changes.

4. With respect to investments made prior to the date of termination of this Agreement and covered by its action, the provisions of all other articles of this Agreement shall remain in force for a period of fifteen years after its termination date.

Done in Moscow "15" in April 2013 in two original copies, each in Russian and Uzbek languages, all texts being equally authentic. In case of divergence of interpretation of this Agreement will be used by the text in Russian.

For the Government of the Russian Federation For the Government of the Republic of Uzbekistan