

# **Agreement between the Government of Georgia and the Turkmenistan Government on Investment Promotion and Protection**

The Government of Georgia and the Government of Turkmenistan, hereinafter referred to as the "Parties", recognize that the promotion and protection of investments will contribute to the development of mutually beneficial trade, economic, scientific and technical cooperation and to the well-being of both States;

Wishing to create favorable conditions for investment of investors in the other side of the territory of one side;

Based on the principles of equality, mutual respect, sovereignty and mutual benefit,

Have agreed on:

## **Article 1. Definitions**

For the purposes of this Agreement, the following terms mean:

1. The term "investment" means all kinds of property values which are invested in the territory of the other Party in accordance with the applicable legislation in the territory of the other Party and shall not be limited to:

A) Immovable and movable property (buildings, structures, equipment and other material values) and property rights associated with it, including the right to privacy;

B) Cash, deposits, shares and other securities or forms of participation in enterprises;

C) Monetary demands and rights for any activity with economic value;

D) Copyright rights (such as inventions, patents, industrial projects and samples, trademarks, trade names, origin indicators technologies, "know-how", goodwill and others);

E) Including the rights to the rights to the economic activity, which is expressed in the intelligence, processing, extraction and operation of natural resources or other facilities of operation or use of the law or convention.

The change in any form in which the assets are invested will not affect the nature of the investment.

2. The term "investor" in relation to each party means:

A) A natural person having a nationality or permanent residence of one of the Parties on the territory of the Parties and is investing in the territory of the other Party in accordance with its legislation;

B) Legal entity, other institutions or societies with the right of a legal entity or, based on the legislation of any Party, is situated on its territory and invest in the territory of the other Party.

3. The term "income" means the amount of money received from investments as a result of dividends, dividends, interest payments, fees, licensing and commission awards, including profits, including enterprises, technical support and technical services and other activities.

4. The term "territory" means each territory including the maritime districts, as well as the continental shelf and economic zone on which the party is implementing sovereign rights and jurisdiction in accordance with national legislation and international law.

## **Article 2. Scope of the Agreement**

This Agreement shall apply to all investments which are carried out by one-party investor in the territory of the other Party in accordance with its laws and regulations, both before and after the entry into force of this Agreement.

### **Article 3. Promotion and Protection of Investments**

1. Each Party shall, in accordance with its own legislation, promote and contribute to investors' investment in its territory.
2. Investments and related revenues as defined by paragraph 2 of Article 1 shall enjoy full compliance with this number. In violation of the provisions of paragraph 1 of this Agreement, the same shall apply to income derived in case of investment. The expansion, change or transformation of investment under the law is considered as a new investment.

### **Article 4. National Regulation of Investments and Preferential Promotion Regime**

1. Each Party shall undertake to ensure that the fair and equal regime in respect of investor investments and investments in the other side excludes the use of discriminatory measures that may hinder investors to manage and dispose of the investors.
2. The regime referred to in paragraph 1 shall be no less favorable than the regime that is invested in investors' and investors' interests in respect of such investments.
3. The provisions of paragraphs 1 and 2 shall not apply to benefits and advantages which the party grants or will be granted to any third party investors or their investments on the following basis:
  - A) If their participation in the trade zone, customs or economic union, economic mutual assistance organization or international agreements, which take into consideration benefits and advantages, are the same benefits and advantages as the Parties grant to the participants of the organizations specified;
  - B) On international taxation or taxation on dual taxation on the basis of other conventions;
  - C) On the basis of agreements on border trade issues.
4. Each Party is entitled to define the sphere of economy and activity that are prohibited or restricted to investors' investment in the other party.

### **Article 5. Compensation of Losses**

1. Investors of one of the Parties whose investments have suffered losses in the territory of the other Party as a result of war or other armed conflict, state of emergency, state coup or other similar events; In respect of compensation and compensation of losses in the territory of the other Party, the regime shall be no less favorable than the regime that the latter grants to investors or investors of any third State. The presented taxes will be freely convertible and will be transferred without any obstacles.
2. In violation of the provisions of paragraph 1, investors of one of the Parties who have suffered losses in the territory of the other Party in any of the cases mentioned in this paragraph which were exposed:
  - A) By the requisition of property by the other party's forces or the authorities;
  - B) By the destruction of property by the forces of the other party or the government which was not caused by hostilities and necessity in the event of reimbursement or reimbursement of adequate compensation. Taxes generated will be freely convertible and will be transferred without interruption.

### **Article 6. Expropriation**

1. Investors investments of one of the Parties, which are implemented in the territory of the other Party, will not be nationalized, will be or will not be taken into account such measures as those of nationalization or expropriation of the analogical results (hereinafter referred to as groceries), unless such measures are taken by the public Inter And encouraging compliance with the procedure established by law, non-discriminatory basis, and they were accompanied by rapid, adequate and effective compensation.
2. The compensation shall be equal to the market value of the investments for the nationalization decision or the day before its publication and it shall be converted and freely transferred.
3. Investors affected by nationalization will have the right to pursue a quick review of their cases and their investment value by the court or other independent authorities of this Party in compliance with the nationalizing party legislation.

4. If one of the Parties makes national investments on any part of its territory in accordance with Article 2, paragraph 1, a company established or established by the applicable legislation in which the investors of the other Party own shares or other property rights, then the provisions of paragraph 1 of this Agreement shall be guaranteed So much so It is necessary to prompt, adequate and effective compensation for the provision of the other side of the investors, who own such shares or other proprietary rights.

## **Article 7. Repatriation of Investments and Revenues**

1. Each Party shall guarantee the investors of the other Party to guarantee all the rights of non-transferable income from investment activities and exemption of expenses, taxes and other necessary taxes on privileges.
2. In case that one of the parties changes the exchange rate procedure that does not apply to the exchange rate specified by the central banks of the States for the transfer date, this party guarantees that these amendments will not affect the investments of the investments that were made by the Recipient Party Area.

## **Article 8. Subrogation**

1. If one of the Contracting Parties or its designated Agency (referred to as the First Party for the purposes of this Article) is paid to payments guaranteed to the investments in the territory of another Party (referred to as the other party for the purposes of this article), the other party shall recognize:

A) Transmit all the rights and complaints of the Party to the Party or to the Mediator of his or her mediator by law or by lawful transaction;

B) That the first party or its intermediary is authorized to exercise such rights as a subrogation and to raise such claims in the same degree as the guarantor and take over all the obligations associated with the investment.

2. The first party shall have the right to:

A) The rights and complaints received by him as a result of the transfer;

B) Any taxes received in accordance with the rights and claims that the guarantor party has access to investments and related revenues under the Agreement.

3. The rights or requirements of the subrogation shall not exceed investor's rights and requirements.

## **Article 9. Settlement of Investment Disputes**

1. Disputes that may arise between a Party and investors of the other Party, including disputes on compensation payments, terms and conditions, should be settled by the parties in a friendly way.

2. If the dispute is not settled by one of the parties for six months after the dispute, the dispute may be granted to the investor's wish:

A) The competent court or arbitration of the Party in which the investment is carried out;

B) By an agreed arbitral procedure at the International Center for Investment Disputes, in accordance with the the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature in Washington on 18 March 1965.

## **Article 10. Disputes between Parties**

1. The Parties should be in the spirit of goodwill and cooperation to seek quick and fair solutions to the issue of mutual investments.

2. Disputes arising from the Parties concerning the interpretation and application of the provisions of this Agreement shall be resolved through diplomatic channels as far as possible.

3. If there is no agreement reached between the Parties within six months after the start of the dispute, the dispute shall be dispatched to the arbitral tribunal at the request of any Party.

4. The arbitral tribunal shall comprise three arbitrators and shall be created separately for each specific case: one of the parties to the other Party within two months from the date of receipt of the notification to the dispute in the arbitral

tribunal. Each party means one arbitrator. These two arbitrators will elect a third-nation citizen-arbitrator who has diplomatic relations with both parties and will be appointed as the chairperson of the arbitral tribunal within two months from the date on which the second arbitrator is elected.

5. If the arbitral tribunal shall not be established within four months from the moment of receipt of a notification about the transfer of the dispute to the arbitral tribunal, each Party may, in the absence of any other negotiation, offer the Chair of the International Court to make the necessary appointment. If the chairperson is a citizen of one of the parties or is unable to perform the above functions, then the appointment may be made by the Head of the International Court of Justice, the next member who is not a national of any party.

6. The arbitral tribunal shall set the rules of procedure. The court shall make decisions in accordance with the provisions of this Agreement and the recognized principles of international law.

7. The arbitral judicial decisions are made by a majority of votes, such decisions are final and mandatory for each Party. At the request of one of the parties, the arbitral tribunal shall explain the motives of his decision.

8. Each Party shall bear the expenses incurred in connection with the arbitrator and its representation assigned to the arbitration tribunal. The Parties shall bear the same and other costs associated with the Chairman's activities, unless otherwise provided by the Arbitration Court.

### **Article 11. Use of other Rules**

If the provisions of the legislation of each Party or the obligations under international law that exist at the present moment or between the Parties shall be established in addition to this Agreement in addition to both the General and Specific Rules which allow investors of the other side to invest in a more favorable mode than this Agreement it is provided. Such rules will have the advantage over the agreement on the quality in which they are more favorable.

### **Article 12. Consultations**

1. Representatives of each side will hold meetings if necessary if necessary to:

- A) Study of the use of this Agreement;
- B) Exchange information on legal issues of investment and their implementation;
- C) Settlement of disputes arising out of investments;
- D) Study of other issues related to investments;
- E) Review proposals on possible changes and additions to this Agreement.

2. If any Party shall offer consultations on any of the paragraph 1 of this Article, then the other party shall be immediately informed and consultations will be held in turn. In Tbilisi In Asgabad.

### **Article 13. Amendments and Additions**

This Agreement may be amended and supplemented by the written consent of the Parties. Any amendment shall enter into force after each Party shall notify the other Party on the settlement of all relevant formalities to prevent the entry into force of this Amendment.

### **Article 14. Entry Into Force of the Agreement**

Each Party shall inform the other Party through diplomatic channels on the fulfillment of the relevant constitutional procedures required for the entry into force of this Agreement.

The Agreement shall enter into force on the date of receipt of the latest notification.

### **Article 15. Duration and Termination of the Treaty**

1. This Agreement shall remain in force for a period of ten years after its expiry of the term, its activity shall be automatically extended for the next 5 years, unless the other party shall notify the other party in writing six months before the expiry of the relevant period of time to the termination of the Agreement.

2. The provisions of Articles 1-13 in respect of investments made before the termination of this Agreement shall remain in force within the next five years from the date of termination of this Agreement.

Done in Tbilisi, on March 20, 1996, two personal, each Georgian, Turkmen and Russian languages, and all text is equal. In the case of a different definition of the text of this Agreement, the text shall be based on the Russian language.

On behalf of the Government of Georgia

On behalf of the Turkmen Government