

# AGREEMENT

## BETWEEN THE GOVERNMENT OF THE REPUBLIC OF BELARUS AND THE GOVERNMENT OF THE REPUBLIC OF LATVIA on promotion and protection of investments

**Entered into force: 21 December 1998**

The Government of the Republic of Belarus and the Government of the Republic of Latvia, hereinafter referred to as "Contracting Parties", Desiring to create favorable conditions for increasing investment individuals and companies of one State in the territory of another State; Conscious that the promotion and reciprocal protection of investments in accordance with the international agreement will promote the development of private business initiative and prosperity of both countries; Have agreed as follows:

### Article 1. Definitions

For the purposes of this Agreement:

(A) The term "investment" means all types of property, and in particular, but not exclusively:

(I) movable and immovable property and any other property rights such as mortgages, rights of lien and pledge;

(II) the share of stocks, bonds and any other form of participation in companies;

(III) the right to claim in respect of money or any performance obligations under the contract, has any financial value;

(IV) intellectual property rights, "goodwill", technical processes and "know-how";

(V) business concessions granted in accordance with the law or under contract, including concessions to explore, develop, extract or exploit natural resources.

Any change in the form in which assets are invested does not affect its character as investments and the term "investment" includes all investments, regardless of when they were carried out - before or after the entry into force of this Agreement;

(B) The term "returns" means the amounts received by any of investments and, in particular, but not exclusively, includes profits, interest, income from capital gains, dividends, payments of royalties and fees;

(C) the term "nationals" means:

(I) in respect of the Republic of Belarus: individuals who, in accordance with the applicable legislation of the Republic of Belarus are the citizens of the Republic of Belarus;

(II) in respect of the Republic of Latvia: individuals who, in accordance with the applicable legislation of the Republic of Latvia are citizens of the Republic of Latvia;

(C) the term "company" means:

(I) in respect of the Republic of Belarus: legal entities, duly established or incorporated in accordance with the current legislation of the Republic of Belarus;

(II) in respect of the Republic of Latvia: corporations, companies, associations and other entities having main office in the territory of the Republic of Latvia and properly established or incorporated under the laws of the Republic of Latvia;

(D) the term "territory" means:

(I) in respect of the Republic of Belarus: the territory under the sovereignty of the Republic of Belarus, on the understanding that territory includes land, internal and territorial waters, as well as the sea, seabed and subsoil thereof, over which the Republic of Belarus in accordance with international law exercises sovereign rights, or which are in conformity with international law are in the jurisdiction of the Republic of Belarus.

(II) in respect of the Republic of Latvia: the territory under the sovereignty of the Republic of Latvia, on the understanding that territory includes land, internal and territorial waters, as well as the sea, seabed and subsoil thereof, over which the Republic of Latvia in accordance with international law exercises sovereign rights, or which are in conformity with international law are in the Republic of Latvia jurisdiction.

## **Article 2. Facilitation of Implementation and Protection of Investments**

(1) Each Contracting Party shall encourage and create favorable conditions for nationals and companies of the other Contracting Party to make investments in its territory and will, in accordance with the law given to it by the exercise of power in accordance with its law, admit such investments.

(2) Investments of nationals and companies of either Contracting Party will always be given fair and equitable treatment and full protection and security in the territory of the other Contracting Party. Each Contracting Party shall not prevent the adoption by unreasonable or discriminatory measures the management, maintenance, use or disposal of investments in its territory of nationals and companies of the other Contracting Party. each

Contracting Parties shall comply with any commitment made in relation to the investment of citizens and companies of the other Contracting Party.

## **Article 3. National Treatment and Provisions on Mfn**

(1) Each Contracting Party shall provide in its territory in respect of investments and the income of citizens and companies of the other Contracting Party treatment no less favorable than that which it accords to investments and revenues of its own nationals and companies or investments and incomes and companies of any third country.

(2) Each Contracting Party undertakes to grant within its territory to citizens and companies of the other Contracting Party in regard to the management, maintenance, use or disposal of their investments treatment no less favorable than that it accords to its own nationals and companies or citizens and companies of any third country.

(3) For the avoidance of doubt, this confirmed that the treatment provided for the above paragraphs (1) and (2) shall apply to the provisions of Articles 1-12 of this Agreement.

## **Article 4. Indemnification**

(1) Citizens and companies of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, state of emergency, revolt, insurrection or riots in the territory of the latter Contracting Party, the latter Contracting Party grants treatment no less favorable than that which the latter Contracting Party to its own nationals or companies or nationals or companies of any third State as regards the restoration, reparation, compensation or other settlement. Due in this regard, payments can be transferred without restriction.

(2) Without prejudice to paragraph (1) of this Article, nationals and companies of one Contracting Party who in any of the situations referred to in this paragraph shall be in the territory of the other Contracting Party losses resulting from:

(A) requisitioning of their property by the forces or authorities of the latter, or

(B) destruction of their property by the forces or authorities of the latter, despite the fact that it was not caused by combat action or was not required by the situation, provided a refund or compensation. Due in this regard, payments can be transferred without restriction.

## **Article 5. Expropriation**

(1) Investments of citizens and companies of either Contracting Party in the territory of the other Contracting Party shall not be subject to nationalization, expropriation or other measures, the effect of which is equivalent to nationalization or expropriation (hereinafter referred to as

As "expropriation"), except in the public interest related to the internal needs of the latter Contracting Party, on a non-discriminatory basis and in providing timely, adequate and effective compensation. This compensation is the actual value of the expropriated investment at the time immediately preceding the implementation of expropriation or its disclosure, depending on what has taken place before, includes interest on normal commercial rate for the period until the date of payment, shall be paid without delay, be effectively realizable and can transferable without restriction. The affected individual or company had the right under the law of the Contracting Party conducting the expropriation, to a prompt trial and analysis of the evaluation of the relevant investment according to the principles set out in this

Paragraph, judicial or other independent plenipotentiary authority of that Contracting Party.

(2) If either Contracting Party expropriates the assets of the company, properly created or organized under applicable law of that Contracting Party, and if the company has equity participation of citizens or companies of the other Contracting Party expropriates the Contracting Party shall ensure the application of the provisions of paragraph (1) of this Article to the extent necessary to guarantee prompt, adequate and effective compensation in respect of investments of nationals or companies of the other Contracting Party, which belong to the above-mentioned shares.

## **Article 6. Repatriation of Investment and Income**

Each Contracting Party shall guarantee to citizens and companies of the other Contracting Party, after fulfillment of all financial obligations to repatriate their investments and profits. Translations will be carried out without delay to the currency in which the investment was originally made, or in any other convertible currency agreed between

The relevant investor and the Contracting Party. If an investor has otherwise agreed, the translation will be done under the current at the date of transfer of the exchange rate in accordance with the applicable provisions of the law on currency regulation.

## **Article 7. Exceptions**

The provisions of this Agreement regarding the provision of treatment no less favorable than that accorded to nationals and companies themselves Contracting Parties and the citizens and companies of any third State shall not be construed so as to oblige one Contracting Party to extend to the nationals or companies of the other Contracting Party the benefit of any regime, preference or privilege resulting from:

(A) any existing or future customs union or other similar international agreement to which is or may become in the future one of the Contracting Parties, or

(B) any international agreement or arrangement, completely or mainly related to taxation.

## **Article 8. Transfer of Disputes In the International Centre for Settlement of Investment Disputes**

(1) Each Contracting Party hereby consents to the transfer of any legal dispute arising between a national or company of one Contracting Party and the other Contracting Party in connection with their investments in the territory of the Contracting Party for settlement through conciliation or arbitration in accordance with the Convention on settlement of investment disputes between States and nationals of other States, opened for signature March 18, 1965 in Washington, the International Centre for settlement of investment disputes (hereinafter the "center" in the future).

(2) The Company, accordingly established or incorporated under the laws in force in the territory of one of the Contracting Parties to that before the

The above-mentioned dispute majority shares owned by nationals or companies of the other Contracting Party shall be in accordance with Article 25 (2) (b) of the Convention be treated for the purpose of this Convention as a company of the other Contracting Party.

(3) If, on the occurrence of any of the aforementioned dispute, the dispute the parties fail to reach agreement by taking measures on site or by other means, within three months, either party, subject to the written consent of the parties to the dispute citizen or company to submit the dispute for settlement by conciliation or arbitration under the Convention, can initiate proceedings by sending a request, the Secretary-General of the Centre, as set out in Articles 28 and 36 of the Convention. In case of disagreement about the choice as the most appropriate way to settle the conciliation or arbitration, the dispute involved a citizen or a company's right to choose.

Contracting Party that is a party to a dispute undertakes throughout the trial and execution of a judgment is not to put

forward to protest the fact that a citizen or company, is the opposing party in the dispute, pursuant to the contract of guarantee kakogo-libo received a full or partial refund for losses incurred.

(4) Each Contracting Party undertakes not to attempt to resolve through diplomatic channels any dispute referred to the Centre, except in cases when:

(A) The Secretary-General of the Center, the Center established a conciliation commission or an arbitral tribunal shall decide on the jurisdiction of the dispute to the Centre, or

(B) the other Contracting Party does not recognize or does not fulfill any decision of the arbitral tribunal.

## **Article 9. Disputes between the Contracting Parties**

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled through diplomatic channels.

(2) If the resolution of any dispute the above manner is not possible, the dispute at the request of either Contracting Party may be submitted to arbitration.

(3) Such an arbitral tribunal will be established for each individual case as follows. Within two months from the date of receipt of the arbitration request, each Contracting Party shall appoint one member of the tribunal. These two members then determine national of a third state, who by mutual consent of the Contracting Parties shall be appointed Chairman of the Court. Designation of the President must take place no later than two months from the date of appointment of the other two members.

(4) If the necessary appointments have not been made within the periods specified in

Paragraph (3) of this Article, and if the Contracting Parties agree otherwise, any Contracting Party may request that a product of any necessary appointments to the President of the International Court of Justice. If the President of the International Court of Justice is a national of either Contracting Party, or if he is unable to carry out the above steps for other reasons, the right product will be provided with the necessary appointments Vice-Chairman of the International Court of Justice. If the Vice-Chairman

International Court of Justice, in turn, is a citizen of one of the Contracting Parties or he is unable to carry out the above actions, the request for the necessary work assignments will be addressed next in age of members of the International Court of Justice who is not a national of either Contracting Party.

(5) The arbitral tribunal established under this Article shall take

Decisions by majority vote. These decisions are binding on both Contracting Parties. Each Contracting Party shall bear the costs of its appointed member of the tribunal and the costs associated with its participation in the arbitration proceedings; Chairman of the costs and unaccounted costs will be divided equally between the Contracting Parties. The Court may, however, in its decision to establish one of the Contracting Parties to the large share of the costs, and the decision will be binding on both Contracting Parties. The Court itself defines the rules of their work.

## **Article 10. Subrogation**

(1) If one Contracting Party or its designated agency ("the first Contracting Party") makes a payment under the guarantee in relation to any investment in the territory of the other Contracting Party ("the second Contracting Party"), the second Contracting Party shall recognize:

(A) the transfer of the first Contracting Party by law or in accordance with the legal transaction of all the rights and rights guaranteed by the requirements of the parties, as well as

(B) the fact that, by virtue of the principle of subrogation, the first Contracting Party is entitled to exercise these rights and the right to demand to the same extent as the guaranteed party.

(2) The first Contracting Party shall at all times have the right to use in relation to:

(A) The rights and the rights acquired by virtue of her requirements above the transmission, as well as

(B) any payments received as a result of the implementation of these rights, the regime, the same regime that guaranteed the party was entitled to under this Agreement to use in relation to investments and related income.

## **Article 11. Applicability of other Regulations**

If the domestic legislation of one Contracting Party or existing or subsequently agreed in addition to this Agreement between the Contracting Parties obligations under international law contain a general or special

The rules under which citizens or investment companies of the other Contracting Party shall enjoy more favorable treatment than that which is established by this Agreement, these rules shall prevail in relation to this Agreement to the extent and to the extent to which, and because they are more favorable.

## **Article 12. Consultations and Exchange of Information**

Each Contracting Party may propose the other Contracting Party to consult on any matter concerning the interpretation or application of this Agreement. The other Contracting Party shall favorably on the proposal and provide adequate opportunity for such consultations.

According to the request of either Contracting Party, the Contracting Parties shall inform each other of all the laws, regulations, decisions, administrative practices and procedures that apply or may apply to investments, which are the subject of this Agreement.

## **Article 13. Entry Into Force**

The Contracting Parties shall notify each other in writing that the procedures they required in the territories of their respective countries for the entry into force of this Agreement. This Agreement shall enter into force thirty days after the date of receipt of the last of the two above-mentioned notices.

## **Article 14. Term and Termination**

This Agreement shall remain in force for ten years. It will be at the end of this period of ten years to remain in force until the expiration of twelve months from the date on which either Contracting Party in writing notifies the other of the termination of this Agreement. At the same time in respect of investments made prior to the termination of this Agreement, its provisions relating to these investments, will remain in force for twenty years from the date of termination, without prejudice to the application in the course of these twenty years, the general rules of international law.

IN WITNESS WHEREOF the undersigned, duly

Authorized by their respective Governments, have signed this Agreement.

Done at Riga, March 3, 1998, in duplicate, each in the Belarusian, Latvian and Russian languages, all texts being equally authentic. In case of discrepancies, preference will be given to the text in Russian.