Agreement between the Government of the French Republic and the Government of the Republic of Uzbekistan on the reciprocal encouragement and protection of investments

The Government of the Republic of France and the Government of the Republic of Uzbekistan, hereinafter referred to as the "Contracting Parties",

Desiring to strengthen economic cooperation between the two States and to create favorable conditions for French investments in Uzbekistan and Uzbek investments in France;

Convinced that the encouragement and protection of such investments will stimulate the transfer of capital and technology between the two countries in the interest of their economic development;

Have agreed on the following provisions:

Article 1.

For the purposes of this Agreement:

1. The term "investment" means all assets such as property, rights and interests of any kind and, in particular but not exclusively:

(a) movable and immovable property as well as all other real rights such as mortgages, liens, usufructs, bonds and similar rights;

(b) Shares, stocks and other forms of participation, even if minority or indirect, in legal entities incorporated in the territory of one of the Contracting Parties;

(c) Bonds, debts and rights to any benefits of economic value;

(d) intellectual, commercial and industrial property rights, such as copyrights, patents, licenses, trademarks, industrial designs and models, technical processes, know-how, registered names and goodwill

(e) concessions granted by law or under contract, including concessions for the exploration, cultivation, extraction or exploitation of natural resources, including those in the maritime zone of the Contracting Parties.

It is understood that such assets must be or have been invested in accordance with the legislation of the Contracting Party in whose territory or maritime zone the investment is made, whether before or after the entry into force of this Agreement.

Any change in the form of investment of the assets shall not affect their characterization as an investment, provided that such change is not contrary to the law of the Contracting Party in whose territory or maritime area the investment is made.

2. The term "investor" means:

(a) Any natural person possessing the nationality of one of the Contracting Parties;

(b) Any legal entity incorporated in the territory of one of the Contracting Parties, in accordance with the legislation thereof and having its registered office therein, or controlled directly or indirectly by natural persons possessing the nationality of one of the Contracting Parties, or by legal entities having their registered office in the territory of one of the Contracting Parties and incorporated in accordance with the legislation thereof.

3. The term "income" means all sums produced by an investment, such as profits, royalties or interest, during a given period.

Income from the investment and, in the case of reinvestment, income from reinvestment shall enjoy the same protection as

the investment.

4. This Agreement shall apply to the territory of each Contracting Party and to the maritime area of each Contracting Party, hereinafter defined as the economic zone and the continental shelf which extend beyond the limits of the territorial waters of each Contracting Party and over which they have, in accordance with international law, sovereign rights and jurisdiction for the purpose of exploring, exploiting and conserving natural resources.

Article 2.

Each Contracting Party shall, within the framework of its legislation and the provisions of this Agreement, admit and encourage investments made by investors of the other Party in its territory and in its maritime zone.

Article 3.

Each Contracting Party undertakes to ensure, in its territory and in its maritime zone, fair and equitable treatment, in accordance with the principles of international law, of investments of investors of the other Party and to ensure that the exercise of the right so recognized is not hindered in law or in fact. In particular, although not exclusively, any restriction on the purchase and transportation of raw materials and auxiliary materials of energy and fuel as well as means of production and exploitation of any kind, any impediment to the sale and transport of products within the country and abroad, as well as any other measures having a similar effect.

The Contracting Parties shall, within the framework of their domestic legislation, give sympathetic consideration to applications for entry and authorization for residence, work and movement submitted by natural persons possessing the nationality of a Contracting Party in connection with an investment made in the territory or maritime area of the other Contracting Party.

Article 4.

Each Contracting Party shall apply, in its territory and maritime zone, to investors of the other Party, in respect of their investments and activities related to such investments, treatment no less favourable than that accorded to its investors, or the treatment accorded to investors of the most favoured Nation, if the latter is more advantageous. In this regard, natural persons possessing the nationality of one of the Contracting Parties authorized to work in the territory and maritime area of one of the Contracting Parties shall be afforded appropriate material facilities for the exercise of their professional activities.

This treatment shall not, however, extend to the privileges which a Contracting Party grants to investors from a third State by virtue of its participation in or association with a free trade area, a customs union, a common market or any other form of regional economic organization.

The provisions of this Article shall not apply to tax matters.

Article 5.

1. Investments made by investors of either Contracting Party shall enjoy full protection and security in the territory and maritime zone of the other Contracting Party.

2. The Contracting Parties shall not take any measures of expropriation or nationalization or any other measures the effect of which is to dispossess, directly or indirectly, investors of the other Party of investments belonging to them in their territory and in their maritime zone, except in the public interest and provided that such measures are neither discriminatory nor contrary to any particular undertaking.

Any measures of dispossession which may be taken must give rise to the payment of prompt and adequate compensation, the amount of which, equal to the real value of the investments concerned, must be assessed in relation to a normal economic situation prior to any threat of dispossession.

This indemnity, its amount and the terms of payment shall be fixed at the latest on the date of the dispossession. This compensation is effectively realizable, paid without delay and freely transferable. It produces, until the date of payment, interest calculated at the appropriate market interest rate.

3. The investors of one of the Contracting Parties whose investments have suffered losses due to war or any other armed conflict, revolution, state of national emergency or revolt, occurring in the territory or maritime zone of the other Contracting Party, shall be accorded by the latter Party treatment no less favourable than that accorded to its own investors

or to those of the most favoured nation.

Article 6.

Each Contracting Party, in whose territory or maritime area investments have been made by investors of the other Contracting Party, shall grant to such investors the free transfer of:

(a) interest, dividends, profits and other current income ;

(b) royalties from intangible rights designated in paragraph 1(d) and (e) of Article 1;

(c) payments made for the repayment of loans regularly contracted;

(d) Proceeds from the sale or liquidation of the investment, in whole or in part, including capital gains on the investment;

(e) The compensation for loss or dispossession provided for in Article 5, paragraphs 2 and 3 above.

Natural persons possessing the nationality of one of the Contracting Parties who have been authorized to work in the territory or maritime area of the other Contracting Party, in connection with an approved investment, shall also be authorized to transfer to their country of origin an appropriate portion of their remuneration.

The transfers referred to in the preceding paragraphs shall be made without delay at the normal rate of exchange officially applicable on the date of the transfer.

Article 7.

To the extent that the regulations of one of the Contracting Parties provide for a guarantee for investments made abroad, such guarantee may be granted, on a case-by-case basis, to investments made by investors of that Party in the territory or maritime zone of the other Party.

Investments of investors of one of the Contracting Parties in the territory or maritime zone of the other Party may only obtain the guarantee referred to in the above paragraph if they have first obtained the approval of the latter Party.

Article 8.

Any dispute relating to investments between one of the Contracting Parties and an investor of the other Contracting Party shall be settled amicably between the two Parties concerned.

If such a dispute has not been settled within six months from the time it was raised by either of the parties to the dispute, it shall be submitted at the request of either of these parties to arbitration by the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, signed in Washington on March 18, 1965.

Article 9.

If one of the Contracting Parties, by virtue of a guarantee given for an investment made in the territory or maritime zone of the other Party, makes payments to one of its investors, it shall thereby be subrogated to the rights and actions of that investor.

Such payments shall not affect the rights of the beneficiary of the guarantee to have recourse to ICSID or to pursue actions brought before it until the proceedings have been completed.

Article 10.

Investments which have been the subject of a special undertaking by one of the Contracting Parties in respect of investors of the other Contracting Party shall be governed, without prejudice to the provisions of this Agreement by the terms of that undertaking insofar as it contains provisions more favourable than those contained in this Agreement.

Article 11.

1. Disputes concerning the interpretation or application of this Agreement shall be settled, if possible, through diplomatic channels.

2. If the dispute is not settled within six months of its being raised by either Contracting Party, it shall, at the request of either Contracting Party, be submitted to an arbitration tribunal.

3. The said tribunal shall be constituted for each particular case in the following manner: each Contracting Party shall appoint one member, and the two members shall appoint, by mutual agreement, a national of a third State who shall be nominated as Chairman of the tribunal by both Contracting Parties. All members shall be appointed within two months of the date on which one Contracting Party has notified the other Contracting Party of its intention to submit the dispute to arbitration.

4. If the time limits set out in paragraph 3 above have not been observed either Contracting Party, in the absence of any other agreement may invite the Secretary-General of the United Nations to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or is otherwise prevented from serving in that capacity, the most senior Under-Secretary-General who is not a national of either Contracting Party shall make the necessary appointments.

5. The arbitration tribunal shall take its decisions by a majority vote. Such decisions shall be final and binding on the Contracting Parties.

The tribunal shall determine its own rules. It shall interpret the award at the request of either Contracting Party. Unless the Tribunal decides otherwise, taking into account particular circumstances, the costs of the arbitration proceedings, including the fees of the arbitrators, shall be shared equally by the Contracting Parties.

Article 12.

Each of the Parties shall notify the other of the completion of the procedures required for the entry into force of this Agreement, which shall take effect one month after the day of receipt of the last notification.

The Agreement is concluded for an initial period of ten years. It shall remain in force after this period, unless one of the Parties denounces it through diplomatic channels with one year's notice.

Upon the expiration of the period of validity of this Agreement, investments made while it was in force shall continue to enjoy the protection of its provisions for a further period of twenty years.

Done in Paris on 27 October 1993, in two originals, each in the French and Uzbek languages, both texts being equally authentic.

For the Government of the French Republic :

E. Alphandéry

For the Government of the Republic of Uzbekistan :

O. Sultanov