

# AGREEMENT

## Between the Government of the Republic of Azerbaijan and the Government of the Republic of Tajikistan on the promotion and mutual protection of investments

The Government of the Republic of Azerbaijan and the Government of the Republic of Tajikistan, hereinafter referred to as the "Contracting Parties"

Desiring to reinforce economic cooperation for the mutual benefit of both countries and to ensure fair and equal conditions for 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 entrepreneurial initiative,

Have agreed as follows:

### Article 1. Definitions

For the purpose of this Agreement:

1. The term "investment" means any article asset established or acquired by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party, including, in particular, but not exclusively:

(A) movable and immovable property or any

Property rights, such as bail, right to arrest

Property for debts, contractual obligations, the lease agreement (lease), usufruct and other rights;

(B) intellectual property rights, such as patents, copyrights, technical process, trademark, industrial design, trade names, trade secrets and goodwill;

(C) the right to engage in economic activities, including the right to the concession, which is expressed in the exploration, development, production or operation received by law or contract.

Legal changes in the form in which assets are invested or reinvested, will not affect their character as an investment.

2. The term "income" means the amount obtained as a result of the investment profit. It includes, in particular, but not exclusively:

Profits, dividends, interest payments, royalties, capital gains, royalties, license and commission fees.

Income enjoys the same treatment as the original investment.

3. The term "investor" means:

(A) any individual possessing the nationality of a State or another Contracting Party resident in its territory;

(B) any legal entity established in accordance with the legislation of one Contracting Party located in the territory, and permitted by its legislation to invest pas territory of the other Contracting Party.

4. The term "territory" used in relation to:

(A) of the Azerbaijan Republic - the territory of the Republic of Azerbaijan, including internal waters of the Azerbaijan Republic sector of the Caspian Sea (lake) belonging to the Azerbaijan Republic, air pro.stranstvo of the Republic of Azerbaijan, as well as any other area, determined or to be determined in the future according to with international law and national legislation of the Azerbaijan Republic, within which Azerbaijan Republic exercises its sovereign rights over the subsoil, the seabed of the continental shelf and natural resources;

(B) the Republic of Tajikistan - the territory of the Republic of Tajikistan.

5. The term "Authorized institution" means the agency representative, guarantor, the creditor of one of the Contracting Parties.

## **Article 2. The Promotion and Protection of Investments**

1. Each Contracting Party shall, in accordance with its laws and regulations, encourage and create favorable conditions. for investments of investors of the other Contracting Party.

2. Each Contracting Party shall provide, in its territory, favorable regime for investments of investors of the other Contracting Party, as well as safety and security.

3. Each Contracting Party shall, without limit of reasons, arbitrary or discriminatory manner, the management, maintenance, use, collection and transfer in its territory, investments of investors of the other Contracting Party.

4. Each Contracting Party shall not impose mandatory measures on investments of investors of the other Contracting Party in respect of the acquisition of the material means of production, operation, transportation, trade goods, without any reasons and on a discriminatory basis.

5. Each Contracting Party shall, within the national legislation of the state, will favorably consider applications for the necessary permits with respect to investments in its territory, including permission pas hiring administrators, managers, professionals and technical staff at the option of investors.

## **Article 3. Investment Regime**

1. Each Contracting Party shall ensure in its territory to investors of the other Contracting Party, and activities in connection with investments, treatment no less favorable than that granted to its own investors or investors of a third State.

2. This mode does not apply to:

a) participation in a free trade area, customs or economic union, monetary union or the international agreement establishing such unions or other forms of regional cooperation to which either Contracting Party is or may become.

b) advantages which either Contracting Party shall accord to investors of other countries on the basis of agreements to avoid double taxation or other tax arrangements.

## **Article 4. Transparency**

Each Contracting Party shall ensure the speedy promulgation by publication or in any other way of legal acts, including those in force of international agreements to which it is likely to have impact to the investments by investors of the other Contracting Party,

## **Article 5. Investment Guarantees**

1. Investments of investors of either Contracting Party within the territory of the other Contracting Party shall not be expropriated, nationalized or

Subject to the measures, equal in expropriation, except in cases where such measures are taken in the public interest and are produced:

- In the manner prescribed by the legislation

The Contracting Party carrying out the expropriation;

- Without discrimination;

- The payment of adequate compensation without delay.

2. The amount of compensation is determined at the time of the expropriation of the investment or when the expropriation or the threat of it was officially known, whichever is the earlier.

3. The amount of compensation shall be calculated on the basis of current market prices and / or substantiated estimates confirmed by an auditor or audit firm, and freely translated from the territory of one Contracting Party in the territory of the other Contracting Party.

4. Compensation shall be paid in the currency in which the investment or, with the consent of the investor, in another currency freely converged been implemented.

## **Article 6. Compensation for Damages**

Investors of one Contracting Party whose investments in the territory of the other Contracting Party has suffered damage as a result of war, armed conflict, a state of emergency, civil strife or similar circumstances in compensation incurred as a result of the foregoing circumstances, the damage is provided, not less favorable than applied in respect of third-country investors.

## **Article 7. Translations**

1. Each Contracting Party shall allow, without delay, any transfer fees associated with an investment in a freely convertible currency.

2. All payments under this Agreement (other than internal payments) to be made in freely convertible currency in accordance with the laws of the Contracting Parties.

3. The right of the investor to the transfer of payments related to its investments can be implemented taking into account the payment of taxes, stipulated by the legislation of the Contracting Parties.

## **Article 8. Subrogation**

1. If a Contracting Party or any of its authorized institution will make payments to any of the investors under a guarantee or insurance, the prisoner in connection with the investment, the other Contracting Party will be recognized by the assignment, transfer (subrogation), the first Contracting Party or its authorized institution of any rights or requirements specific to the investor.

2. subrogate the rights of the investor or the requirements will not exceed the original rights or claims of the investor.

## **Article 9. Disputes between an Investor and a Contracting Party**

1. Disputes between one Contracting Party and an investor of the other Contracting Parties with respect to investments, will be resolved through negotiations.

2. If the negotiations will not be completed in a solution within six months from the date of the written offer to start negotiations, the parties to the dispute may proceed as follows:

a) If the dispute concerns the obligations under Articles 5, 6 and 7 of this Agreement, it is at the request of the investor, be submitted for decision to the arbitration (arbitration) court;

b) the dispute is not referred to in subparagraph a) of paragraph 2 of this article, it will be transferred with the consent of both parties to the dispute to arbitration (arbitration) court

3. The arbitration (arbitration) court will be established for each individual case. If the parties to the dispute do not agree otherwise, each of them shall appoint one arbitrator (umpire). Appointment of arbitrators (arbitrators) elect the chairman, who will be a citizen of a third State.

The arbitrators (arbitrators) shall be appointed within two months from the date of receipt of the dispute transmission requirements for the consideration of the arbitration (arbitration) court, and the chairman - in the next two months.

4. If the periods specified in paragraph 3 of this article have not been met, either. parties to the dispute may, having no other arrangements, invite the President of the Arbitration Court of the International Chamber of Commerce in Paris to

make the necessary appointment. If the President is unable to discharge the said function or is a national of a Contracting Party applies similar provisions of paragraph 5 of Article 9 of this Agreement.

5. If the parties have agreed otherwise "arbitration (arbitration) tribunal shall determine its own rules of procedure. The decisions are final and binding. Each Contracting Party shall ensure the recognition and enforcement of arbitral awards.

6. Each party to the dispute shall bear the expenses for the maintenance of its member of the tribunal and in accordance with their own interests in arbitration (arbitration) procedure, the costs of the chairman and other expenses they will bear equal parts of both parties to the dispute.

7. A Contracting Party party to the dispute, may not at any stage of the arbitration (arbitration) procedure or execution of the court to refer to the fact that the investor will receive as a result of the contract of insurance compensation covering all or part of the damage suffered.

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

1. Disputes between the Contracting Parties concerning the interpretation and application of the provisions of this Agreement shall be settled through diplomatic channels.

2. If the Contracting Parties will not reach agreement within six months of the date of the dispute, the dispute shall, at the request of either Contracting Party, be referred to the arbitration (arbitration) court consisting of three members. Each Contracting Party shall appoint one arbitrator (the arbitrator), and they in turn elect a Chairman, who shall be a citizen of a third country maintains diplomatic relations with the states of both Contracting Parties.

3. If either Contracting Party to appoint an arbitrator ns (arbitrator), and does not agree with the invitation of the second Contracting Party shall cause such appointment within two months, the arbitrator (arbitrators) appointed at the request of that Contracting Party by the President of the International Court of Justice.

4. If both arbitrators can not reach agreement on the chairman of the selection and within two months from the date of their appointment, he shall be appointed at the request of either Contracting Party by the President of the International Court of Justice.

5. If, in the cases provided for in paragraphs 3 and 4 of this Article the President of the UN International Court of Justice due to any reason, can not perform the said function or if he is a national of one Contracting Party, the appointment shall be made Vice- President. If it is

Any reason, can not fulfill the corresponding functions, the appointment will be made by the most senior rank of judge of the International Court of Justice who is not a citizen of any of the Contracting Parties.

6. The arbitration (arbitration) tribunal shall decide by majority vote.

7. Each Contracting Party shall bear the costs of the member of his court, and in accordance with its share in the arbitration procedure. Costs associated with the chairman and other costs borne by the Contracting Parties in equal parts.

8. The decisions of the tribunal are final and binding for each Contracting Party.

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

The Agreement applies to investments existing at the time of its entry into force, as well as to investments, follow after the Agreement enters into force.

## **Article 12. Entry Into Force**

1. This Agreement shall enter into force on the date of receipt through diplomatic channels of the last written notification on fulfillment by the Contracting Parties of internal procedures necessary for its entry into force.

2. This Agreement shall remain in force for 5 years. After this period it shall be automatically extended for another five years unless one Contracting Party notifies the other Contracting Party, at least 12 months before the expiry of the period of its intention to terminate this Agreement.

3. By mutual agreement of the Contracting Parties to this Agreement may be amended and supplemented, of separate protocols, which form an integral part of this Agreement and shall enter into force in accordance with the procedure referred to in paragraph 1 of this article.

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 parts of this Agreement shall remain in force for the next 5 years after its termination date.

Done at the city of Dushanbe " / 6" March 2007 in two originals, each in the Azerbaijani, Russian and Tajik languages.

In case of divergence in the interpretation of the provisions of this Agreement as a basis for the text in Russian will be accepted.

For the Government For the Government of

Azerbaijan Republic of Tajikistan