# Agreement between the Russian Federation and the Government of the Republic of Angola on Encouragement and Mutual Protection of Investments

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

Desiring to create favorable conditions for strengthening cooperation between them, in particular for investments by investors of either Contracting Party in the territory of the other Contracting Party,

Recognizing that the promotion and reciprocal protection of investments on the basis of international law, the law of each Contracting Party and this Agreement will stimulate the flow of capital and business initiative, as well as to promote cooperation between the two countries for the development and welfare of their peoples, have agreed to the following:

## Chapter 1. General Provisions

### Article 1. Purpose of the Agreement

This Agreement regulates the promotion and mutual protection of investments of investors of either Contracting Party in the territory of the other Contracting Party.

### Article 2. Definitions

For the purposes of this Agreement:

1. The term "investor" in respect of each of the Contracting Parties means:

a) a natural person who is a citizen of that Contracting Party in accordance with its legislation and to make investments in the territory of the other Contracting Party;

b) a legal entity created or organized in the territory of the Contracting Party under its laws and exercising investments in the territory of the other Contracting Party.

2. The term "investment" means every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the law of the Contracting Party in the territory of which such investments are made, and in particular, though not exclusively:

a) movable and immovable property and property rights, such as ownership, mortgage, pledge and similar rights;

b) securities, shares, stocks, shares and other equity organizations;

c) a claim to money or other rights having economic value and associated with an investment;

d) exclusive rights to intellectual property, including copyrights, patents, trademarks, trade names, industrial designs, technical processes, information, trade secrets, know-how;

d) sustainable business relationships;

e) The right to engage in entrepreneurial activity, provided on the basis of legislation, contract or permit issued in accordance with the legislation of the competent authority of the Contracting Parties, including the rights to explore, develop, extract or exploit natural resources.

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

3. The concept of "territory of a Contracting Party" means the land territory, airspace and territorial waters of the State of either Contracting Party, as well as the exclusive economic zone and continental shelf, which are located behind the external borders of the territorial waters of each Contracting Party in respect of which the States carried out in accordance with international law, sovereignty, jurisdiction and sovereign rights for the purpose of exploration, development and exploitation of natural resources.

4. The term "freely convertible currency" means a currency freely usable in making payments for international transactions, which is defined as a freely usable in accordance with the Articles of the Charter of the International Monetary Fund.

5. The term "income" means the funds received from the investment and, in particular, though not exclusively, profits, dividends, interest and fees.

6. The term "law of a Contracting Party" means the laws and other normative legal acts of the Russian Federation or the laws and other normative legal acts of the Republic of Angola.

### Article 3. Scope

This Agreement shall apply to investments made by investors of either Contracting Party made in the territory of the other Contracting Party after its entry into force.

## Chapter 2. Promotion and Protection of Investments

### Article 4. Promotion and Protection of Investments

1. Each Contracting Party shall in its territory encourage and create favorable conditions for investments by investors of the other Contracting Party and admit such investments in accordance with its legislation.

2. Investments made by investors of either Contracting Party, provide full protection and security in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party.

3. Neither of the Contracting Parties shall not apply any unreasonable and discriminatory measures in its territory, which would prevent the use, enjoyment or disposal of investments of investors of the other Contracting Party.

4. Each Contracting Party shall, in accordance with its legislation will favorably consider requests relating to the entry and free movement in its territory of nationals of the other Contracting Party engaged in labor activities associated with investments, as well as their families.

### Article 5. Investment Regime

1. Investments of investors of either Contracting Party has always provided fair and equitable treatment in the territory of the other Contracting Party.

2. Each Contracting Party shall in its territory provides investments of investors of the other Contracting Party for the management and disposal of such investments treatment no less favorable than that accorded to investments of its own investors or investors of any third state.

3. Provision of the investments of investors of either Contracting Party treatment no less favorable than that accorded to investments of its own investors or investors of any third State, shall be construed as obliging one Contracting Party to extend to investors of the other Contracting Party the advantages or privileges which the first Contracting Party shall provide or provide in the future:

a) in connection with participation in the customs, economic or monetary union, common market, free trade area or similar international agreement;

b) on the basis of agreements to avoid double taxation or other agreements on taxation;

c) in accordance with the agreements of the Russian Federation with the countries formerly part of the former Union of Soviet Socialist Republics.

4. If the legislation of either Contracting Party or international agreements to which both Contracting Parties contain more favorable provisions than the present Agreement, these provisions shall apply to the part which is more favorable to the investor.

5. Each Contracting Party reserves the right, in accordance with its own law to determine the economic sector in which the activity of investors is excluded or limited.

6. Without prejudice to the provisions of Articles 6, 7 and 11 of this Agreement, the Contracting Parties are not obliged to provide treatment more favorable than that which they provide in accordance with the commitments made under the Agreement Establishing the World Trade Organization (WTO) of 15 April 1994., including the obligations under the General agreement on trade in services (GATS), as well as any other multilateral agreement, which can be achieved with the participation of both Contracting Parties, and which will deal with the mode of investment.

## Article 6. Damages

Investors of one Contracting Party whose investments have been damaged due to war or other armed conflict, a state of emergency, revolution, insurrection or other similar circumstances in the territory of the other Contracting Party, provided that Contracting Party in respect of restitution, indemnification, compensation or other settlement regime is not less favorable than that which the latter Contracting Party accords to its own investors or investors of any third state.

## Article 7. Expropriation

1. Investments of investors of either Contracting Party shall not be subjected in the territory of the other Contracting Party, nationalization, expropriation or other measures tantamount to expropriation or nationalization (hereinafter referred to as "expropriation"), except in cases where these measures are carried out in the public interest, on the non-discriminatory basis, subject to the procedure established in accordance with the legislation of that Contracting Party and entail the payment of prompt, adequate and effective compensation.

2. The compensation referred to in paragraph 1 of this Article shall correspond to the market value of the expropriated investment, calculated at the date of the actual implementation of the expropriation or the publication of information about the impending expropriation, depending on what kind of things have happened before, and will include interest accrued from the date of expropriation until the date of payment of compensation at a commercial rate established on a market basis, but not less than six-month LIBOR rate for USD loans.

## Article 8. Transfer of Payments

1. Each Contracting Party shall, in accordance with its legislation guarantees the investors of the other Contracting Party, after fulfillment of all tax obligations, free transfer abroad of payments related to investments. Such transfers include in particular, but not exclusively:

a) profits, capital gains, dividends, interest and other income related to the investment;

b) funds received in connection with the sale or total or partial liquidation of investments;

c) funds in repayment of loans related to investments;

d) the remuneration of citizens of the other Contracting Party who are allowed to work in connection with investments in the territory of the first Contracting Party;

e) the initial capital and additional funds necessary for the management and development of implemented investments;

e) money spent on control investments in the territory of the other Contracting Party or any third State;

g) any payments referred to in Article 6 of this Agreement;

h) the compensation provided for in Article 7 of this Agreement;

i) payments arising out of the dispute resolution procedures in connection with the investments in accordance with Article II of this Agreement.

2. All payments under this Agreement shall be in a freely convertible currency without undue delay at the market rate applicable on the date of the transfer in accordance with the currency legislation of the Contracting Party in whose territory the investments were made.

3. Notwithstanding the provisions of paragraphs 1 and 2 of this article, each Contracting Party may limit any payment transfers in accordance with its laws in a fair and non-discriminatory manner.

### Article 9. Subrogation

1. If one Contracting Party or its designated agency makes a payment to its own investors pursuant to a guarantee in respect of investments, the other Contracting Party shall recognize:

a) transfer to its territory on the basis of legislation or an agreement of any of the rights and obligations of the former Contracting Party or the authorized body to her; and

b) the right of the former Contracting Party or its authorized agency to carry out the rights and obligations of investors in subrogation in accordance with the law of the Contracting Party in the territory of which the investments were made.

2. The rights and obligations acquired by subrogation may not exceed the amount of the original rights and obligations of the investor.

## Chapter 3. Interpretation and Application of the Agreement

### Article 10. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations.

2. If the manner specified in paragraph 1 of this Article, the dispute is not settled within (6) six months from the date of receipt of the written notice of the negotiations, it is at the request of one of the Contracting Parties may be submitted to an arbitral tribunal ah os in accordance with the provisions of this article.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way: within two (2) months from the date of receipt of notice of arbitration, each Contracting Party shall appoint one member of the arbitral tribunal. 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.

The Chairman of the arbitral tribunal shall be appointed within three (3) months from the date of appointment of the other two members.

4. If within the periods specified in paragraph 3 of this Article, the necessary appointments have not been made, either Contracting Party may request the President of the International Court of Justice to make such appointments. If the chairman of the International Court of Justice is a national of either Contracting Party or is otherwise unable to perform the said function, then make the necessary appointments invited the Deputy President of the International Court. If the deputy chairman of the International Court of Justice is also a national of either Contracting Party or is otherwise unable to perform the said function, then make the necessary appointments offered to the next in seniority member of the International Court of Justice who is not a national of either Contracting Party.

5. The Chairman of the arbitral tribunal shall be a citizen of the State with which the Contracting Parties maintain diplomatic relations.

6. The arbitral tribunal shall render its decision by majority vote. This decision is final and binding on both Contracting Parties.

7. Each Contracting Party shall bear the expenses related to the activities of its own appointed member of the tribunal and of its representation in the arbitration proceedings. The costs associated with the arbitration court Chairman and other expenses

The Contracting Parties shall bear in equal shares. The arbitral tribunal shall determine its own procedure.

### Article 11. Settlement of Disputes In Connection with the Investments between a Contracting Party and an Investor of the other Contracting Party

1. Disputes between an investor of one Contracting Party and the other Contracting Party arising in connection with an investment of an investor in the territory of the other Contracting Party shall be settled friendly through negotiations between the parties to the dispute.

2. If the dispute cannot be resolved in accordance with the provisions of paragraph 1 of this Article, within six (6) months from the date of receipt of the written notice of the negotiations, such dispute shall, at the request of the investor can be

submitted to;

a) the competent court of the Contracting Party in whose territory the investments were made; or

b) the arbitration court ad hoc established in accordance with the Arbitration Rules of the International Trade Law of the United Nations Commission (UNCITRAL), if the parties to the dispute agree otherwise; or

c) 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, done at Washington, March 18, 1965, to resolve the dispute in accordance with the provisions of this Convention, provided that it has entered into force for both Contracting Parties, and in accordance with the Additional Facility rules of the International Centre for settlement of investment disputes in case the Convention has not entered into force for both or one of the Contracting Parties.

3. The choice of court, specified in paragraph 2 of this Article shall be final.

4. The award shall be final and binding on both parties to the dispute. Each Contracting Party undertakes to ensure the execution of decisions in accordance with its legislation.

### Article 12. Consultations

The representatives of the Contracting Parties, if necessary, hold consultations on matters relating to the application or interpretation of this Agreement, time and venue of which shall be agreed through diplomatic channels.

## Chapter 4. Final Provisions

### Article 13. Entry Into Force, Duration, Amendments and Termination

1. This Agreement shall enter into force thirty (30) days after the receipt of the last of the two notifications sent by the Contracting Parties to each other in writing of the completion of the internal procedures necessary for its entry into force.

2. This Agreement shall remain in force for ten (10) years, after which it shall be automatically extended for successive five-year periods, unless either Contracting Party notifies the other Contracting Party through diplomatic channels, at least twelve (12) months prior to the expiration of the period of its operation of its intention to terminate the Agreement.

3. This Agreement may be amended or added by mutual written consent of the Contracting Parties. Any change or addition of separate protocols, which comes into force in accordance with paragraph 1 of this Article. Place and date of consultation between the Contracting Parties on introduction of changes and amendments will be agreed upon through diplomatic channels.

4. With respect to investments made prior to the date of termination of this Agreement, the provisions of Articles 1 to 12 of this Agreement shall remain in force within the next ten (10) years after the date of termination of its validity. However, this provision does not apply in respect of investments made after the termination of this Agreement.

5. Any Contracting Party may unilaterally terminate this Agreement by notifying the other Contracting Party in writing through diplomatic channels about this, in the event of a fundamental change of circumstances, as defined in Article 62 of the Vienna Convention on the Law of Treaties (1969). In this case, this Agreement shall terminate upon the expiration of twelve (12) months from the date of receipt of such notice by the other Contracting Party.

IN WITNESS WHEREOF, the duly authorized thereto by their respective Governments, have signed this Agreement.

Done in Luanda on 26 June 2009 in two copies, each in the Russian and Portuguese languages, both texts have equal force.

FOR THE GOVERNMENT FOR THE GOVERNMENT OF THE RUSSIAN FEDERATION OF THE REPUBLIC OF ANGOLA

PROTOCOL TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF ANGOLA ON THE PROMOTION AND MUTUAL PROTECTION OF INVESTMENTS

By signing the agreement on encouragement and mutual protection of investments between the Russian Federation and the Government of the Republic of Angola, hereinafter referred to as "the Agreement", the Contracting Parties agreed on the following provisions of this Protocol, which is an integral part of the Agreement:

1. Notwithstanding the provisions of Article 3 of the Agreement, its provisions also apply to the investments of the Russian Joint Stock Company "ALROSA", implemented in the territory of the Republic of Angola to the entry into force of the Agreement in the following projects and companies:

a) Mining Company "Catoca";

b) Mining Company "Luo-Camacho Camagico";

c) exploration projects "Kakoli";

d) Joint-stock company "Gidroshikapa", including HPP "Shikapa-1" and "Shikapa-2."

2. Each Contracting Party shall apply Article 5 of the Agreement, the provisions of paragraph 6 to the investments of investors of the other Contracting Party from the date of Russia's accession to the World Trade Organization.

IN WITNESS WHEREOF the duly authorized thereto by their respective Governments, have signed this Protocol.

Done in Luanda on 26 June 2009 in two copies, each in the Russian and Portuguese languages, both texts being equally authentic.

FOR THE GOVERNMENT FOR THE GOVERNMENT OF THE RUSSIAN FEDERATION OF THE REPUBLIC OF ANGOLA