

# **Agreement between the government of the Portuguese Republic and the Government of the Russian Federation on Reciprocal Promotion and Protection of Investments**

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

In order to create favorable conditions for investment by investors of a Contracting Party in the territory of the other Contracting Party;

Whereas the promotion and mutual protection of these investments will contribute to the development of mutually advantageous economic, commercial, technical and scientific cooperation;

Agree as follows:

## **Article 1.**

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

1. "Investor"

a) Any natural person who, under the law of the respective Contracting Party, has the nationality of that Contracting Party; as well as

b) Any legal person incorporated and operating in accordance with the law of the respective Contracting Party and having its seat in the territory of that Contracting Party.

Provided that it is able, in accordance with the legislation of the respective Contracting Party, to invest in the territory of the other Contracting Party.

2. "Investments" means all types of assets invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its legislation, namely:

a) Movable or immovable property and any rights to the property of such property;

b) Shares, quotas and other forms of participation in companies, companies and other entities;

c) Rights that involve obligations in cash or other obligations of economic value, linked to the investment;

d) Intellectual property rights;

e) Right to exercise economic activity by virtue of a concession, based on law or contract, including in particular exploration rights, research and exploitation of natural resources.

3. "Income" means investment-generated amounts such as profits and dividends, interest, royalties, commissions, payments for assistance or technical services and other types of remuneration.

4. "investment-related activities" means the organization, control, maintenance and administration of companies, branches, agencies, plants or other entities engaged in business activities; The execution, execution and monitoring of contracts for the acquisition, use, enjoyment or administration of goods of all kinds, including intellectual property, acquisition, sale and issue of shares or other securities.

5. "Investment Settlement" means the cessation of investment in accordance with the law of the Contracting Party in whose territory the investment was made.

6. "Territory" means the corresponding territories of the Portuguese Republic and the Russian Federation and also the exclusive economic zone and continental shelf on which the Contracting Parties exercise, in accordance with international law, sovereign rights and jurisdiction for the purposes of Research, exploration and preservation of natural resources.

## **Article 2.**

Each Contracting Party shall encourage and admit, in accordance with its legislation, investments made by investors of the other Contracting Party in its territory.

## **Article 3.**

1. Each Contracting Party shall ensure in its territory for investments of investors of the other Contracting Party and for investment-related activities fair and equitable treatment which excludes the adoption of discriminatory measures which may create obstacles to the management and possession of investments .

2. The treatment referred to in paragraph 1 of this Article shall not be less favorable than treatment accorded to investments and investment activities of its own investors or investors of any third State.

3. Each Contracting Party reserves the right to determine branches and circles of activities in which the activity of foreign investors is excluded or limited.

4. The most-favored-nation regime granted in accordance with paragraph 2 of this Article shall not affect the advantages granted or to be granted by the Contracting Party:

- a) By virtue of participation in a free trade area, customs or economic union;
- b) By virtue of agreements concluded between the Russian Federation and the Republics of the former Union of Soviet Socialist Republics;
- c) By virtue of agreements on the elimination of double taxation or other agreements of a fiscal nature.

## **Article 4.**

1. Investments carried out in the territory of one Contracting Party by investors of the other Contracting Party may not be expropriated, nationalized or have a measure of equivalent effect, hereinafter referred to as expropriation, except for reasons of public Non-discriminatory manner and by prompt, adequate and effective compensation.

The compensation must correspond to the real value of the investments subject to expropriation immediately before the moment it is effected or publicly announced. The compensation shall be paid without delay in freely convertible currency and may be freely transferred from the territory of one of the Contracting Parties to the territory of the other Contracting Party. Until the date of payment of the compensation, the amount of the compensation shall be increased by interest at the rate fixed by the central bank of the Contracting Party in whose territory the investments were made.

2. Investors of each Contracting Party whose investment has been expropriated in whole or in part shall have the right to request from the competent judicial or administrative authority of the other Contracting Party the confirmation that said expropriation and the compensation to which it gave rise are In accordance with this Agreement and with the principles of international law.

3. Investors of one of the Contracting Parties whose investments in the territory of the other Contracting Party suffer damages as a result of war or other armed conflict, state of emergency or other similar events shall not receive less favorable treatment in respect of restitution from that Contracting Party Of assets, compensation, compensation or other remuneration, than that granted to investors of third States.

## **Article 5.**

1. Each Contracting Party shall, in accordance with its legislation, guarantee to the investors of the other Contracting Party, after payment of taxes and fees due, the free transfer without delay of the amounts related to the investments, namely:

- a) Of capital and additional amounts for the maintenance or expansion of the investment;
- b) Of the income defined in Article 1 (3) of this Agreement;

- c) The amounts to be paid in the context of the repayment of loans which both Parties have recognized as an investment;
- d) Of the proceeds resulting from the liquidation or total or partial disposal of the investment;
- e) Compensation and other payments provided for in Article 4 of this Agreement.

2. The transfers of payments provided for in this Article shall be made in freely convertible currency using the exchange rate from the date of transfer in accordance with the rules laid down by the legislation of the Contracting Party in whose territory the investment was made.

## **Article 6.**

1. In the case of one of the Contracting Parties or an agency entrusted by it with any obligation to make any payments to one of its investors by virtue of a guarantee given to an investment carried out in the territory of the other Contracting Party, the latter agrees with the principle of subrogation. The transfer of all rights of the investor in favor of the first Contracting Party or its agency.

2. The Contracting Party or its agency which as a result of the subrogation has acquired the rights of the investor may authorize the latter to exercise those rights.

## **Article 7.**

1. Disputes relating to investments arising between a Contracting Party and an investor of the other Contracting Party shall, wherever possible, be settled amicably.

2. If a dispute is not settled amicably within six months of the date on which it is raised, the investor may, alternatively, refer the dispute to:

- a) To a competent court or arbitration of the Contracting Party in whose territory the investment was made;
- b) To an international tribunal in accordance with paragraph 3 of this article.

After the submission of the dispute to a court or arbitration of the corresponding Contracting Party or to international arbitration, that choice is final.

3. In the case of opting for international arbitration, the investor may submit the dispute:

- a) To the International Center for Settlement of Investment Disputes if the Russian Federation accedes to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, signed at Washington on 18 March 1965, or under Of the rules applicable to the additional possibility for the secretariat of the Center to administer such procedures;
- b) An ad hoc arbitration tribunal established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

## **Article 8.**

The Contracting Parties, on a proposal from any of them, may consult on matters relating to the interpretation or application of this Agreement.

## **Article 9.**

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall be settled by negotiations between them.

If the dispute is not resolved by this means, it shall be submitted to an arbitral tribunal at the request of one of the Contracting Parties.

2. The arbitral tribunal shall be constituted ad hoc. Each Contracting Party shall appoint an arbitrator and together they shall designate the presiding arbitrator, who shall always be the national of a third State. The arbitrators must be appointed within two months and the presiding arbitrator within three months from the date on which one of the Contracting Parties declares the intention to submit the dispute to arbitration.

3. If the time limits set out in paragraph 2 of this Agreement are not met, each Contracting Party may, in the absence of any other agreement, request the Secretary-General of the United Nations to make the necessary appointments.

4. The arbitral tribunal shall decide by a majority. Its decisions shall be binding on the Contracting Parties. Each of the Contracting Parties shall bear the expenses of the respective arbitrator; The two Contracting Parties shall each defray the expenses of the presiding arbitrator and the other expenses in equal parts. For all other aspects of its operation, the arbitral tribunal defines its own procedural rules.

## **Article 10.**

If the provisions of another international agreement to which the two Contracting Parties are parties or become parties or the domestic legislation of either Contracting Party establishes a more favorable regime than that provided for in this Agreement, the most favorable regime shall prevail over it .

## **Article 11.**

This Agreement shall apply to all investments made in the territory of one of the Contracting Parties by an investor of the other Contracting Party from the date of signature of this Agreement.

## **Article 12.**

1. Each Contracting Party shall communicate in writing to the other Contracting Party the fulfillment of its constitutional procedures necessary for the entry into force of this Agreement.

This Agreement shall enter into force 30 days after receipt of the last of the communications.

2. This Agreement shall remain in force for 15 years. If neither Contracting Party, within 12 months prior to the expiration of this Agreement, communicates in writing through diplomatic channels to the other Contracting Party its intention to terminate this Agreement, it shall remain in force until such time as That one of the Contracting Parties shall notify the other Contracting Party in writing of its intention to terminate it in writing 12 months in advance.

3. For investments made before the expiry of this Agreement, all provisions of this Agreement shall remain in force for 15 years from that date.

Done in Moscow on 22 July 1994 in duplicate, each one in the Portuguese and Russian languages, both texts being equally authentic.