Agreement between the Government of the Republic of Belarus and the Government of Mongolia on the Promotion and Protection of Investments (concluded in Minsk 28.05.2001)

The Republic of Belarus and the Government of Mongolia, hereinafter referred to as "Contracting Parties",

Paying tribute to the friendship and cooperation between the two countries and their peoples,

Desiring to create favorable conditions for increasing investments of investors of one State in the territory of another state on the basis of equality and mutual interest,

Conscious that the promotion and reciprocal protection of investments under this Agreement will contribute to the development of business initiatives in the field of investment,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement, the following terms shall have the following meanings:

1. "Investors" in respect of each Contracting Party means:

a) natural persons who, in accordance with the legislation of one Contracting Party shall be nationals and who invest in the territory of the other Contracting Party;

b) legal entities, including enterprises, economic associations, societies, corporations and other associations or organizations adequately established or incorporated under the laws of one Contracting Party and who invest in the territory of the other Contracting Party.

2. "Investment" means any property that is owned by an investor of one Contracting Party who invest in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party and includes, in particular, but not exclusively:

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

b) stocks, shares, bonds and any other form of participation in companies;

c) claims in respect of money or any performance obligations under the contract, having any financial value;

d) the rights to intellectual and industrial property rights, including copyright, trademarks, trade names, technical inventions, trade secrets, technology and know-how, and goodwill;

e) The right to engage in economic activities, including the rights to exploration, extraction or exploitation of natural resources, as well as all other rights granted by law, agreements or decision of the competent authority in accordance with the law.

Any change in the form in which assets are invested does not affect its character as an investment.

3. "Proceeds" means the amount obtained by any of investments and, in particular, but not exclusively, includes profits, interest, payments of royalties and other fees of a similar nature.

4. "Territory" means the territory of the State in which that State exercises sovereign rights or jurisdiction in which it is in accordance with international law.

Article 2. Promotion of the Enjoyment and Protection of Investments

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its territory and will be in accordance with applicable law to allow such investments.

2. Investments made by investors of one Contracting Party will always be given fair and equitable treatment and full legal protection and security in the territory of the other Contracting Party.

Article 3. National Treatment and Most Favored Nation Treatment

1. Each Contracting Party shall accord in its territory to investments and returns of investors of the other Contracting Party treatment no less favorable than that which it accords to investments and revenues of its own investors or to investments and returns of investors of any third state.

2. Each Contracting Party shall provide in its territory to investors of the other Contracting Party in regard to the management, use or disposal of their investments treatment no less favorable than that it accords to its own investors or investors of any third state.

Article 4. Compensation for Losses

1. Investors 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 shall be accorded treatment no less favorable than that which the latter Contracting Party accords to its own investors or investors of any third state in regard to the recovery of damages, compensation or other settlement.

2. Without prejudice to paragraph 1 of this Article investors 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 due to requisitioning of their property by the authorities or forces last or the destruction of their own forces or authorities of the latter (despite the fact that it was not caused by the necessity of the situation), provided the latter Contracting Party restitution or compensation which in either case will be prompt, adequate and effective. Due in this regard, payments can be transferred without restriction.

Article 5. Expropriation

1. Investments of investors of either Contracting Party in the territory of the other Contracting Party shall not be subject to expropriation, nationalization or other measures, the effect of which is equivalent to expropriation (hereinafter - the expropriation), except in the public interest, 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 disclosure, depending on what was formerly paid along with interest calculated based on LIBOR from the date of expropriation until the date of payment, without undue delay, It is effectively realizable and can be transferred without restriction. An investor who has suffered damage has the right under the law of the Contracting Party carrying out 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 a Contracting Party expropriates the assets of its investors on its territory, which has equity investors of the other Contracting Party, the first Contracting Party shall apply the provisions of paragraph 1 of this article with respect to investments of investors of the other Contracting Party in order to ensure the timely adequate and effective compensation.

Article 6. Repatriation of Investment and Income

1. Each Contracting Party shall guarantee to investors of the other Contracting Party after the payment of the relevant taxes and duties free transfer of payments related to investments of investors of the other Contracting Parties, in particular:

a) net income, dividends, payments on account of royalties, technical assistance and technical services, interest payments and other current income derived from investment of any investor of the other Contracting Party;

b) the proceeds from total or partial liquidation of investments made by investors of the other Contracting Party;

c) funds to repay loans;

d) the relevant part of the earnings of nationals of the other Contracting Party who are allowed to work in the territory of the first Contracting Party in connection with investments;

e) payments are intended to cover costs related to the management of investments;

f) additional contributions required to maintain or expand the investment;

g) The compensation provided for in Articles 4 and 5 of this Agreement.

2. Transfers will be carried out without delay in a freely convertible currency at the prevailing at the date of transfer in accordance with the provisions of the exchange rate of the currency regulation law of the Contracting Party in whose territory the transfer is.

Article 7. Exceptions

The provisions of this Agreement regarding the provision of treatment no less favorable than that accorded to the investors themselves Contracting Party or investors of any third State shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party the benefit of any treatment, preference or privilege arising any of:

a) existing or possible future customs union or a free trade agreement, or an agreement on common export tariffs or other forms of regional cooperation, which can join any Contracting Party;

b) an international treaty or domestic legislation relating wholly or mainly to taxation.

Article 8. Subrogation

1. If one Contracting Party or its designated agency makes a payment under the guarantee in respect of any investment or parts thereof on the territory of the other 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 of 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 have the right to use in any case the same treatment in respect of:

a) The rights and the rights of claims received by that Contracting Party by virtue of the transfer of such rights and the rights claims;

b) any payments received in pursuance of those rights and the rights of the requirements to the same extent as if the guaranteed party pursuant to this Agreement has the right to obtain such rights, claims and associated revenue.

Article 9. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. For the purposes of resolving disputes relating to investments between one Contracting Party and an investor of the other Contracting Party and without prejudice to the content of Article 10 of this Agreement shall be consultation between the parties to a dispute to resolve it friendly way.

2. If the consultations referred to in paragraph 1 of this article, will not lead to resolution of the dispute within six months from the date of submission of the application for settlement of the dispute, the investor has the right to submit the dispute for resolution of their choice:

a) the competent court of the Contracting Party in whose territory the investment has been made; or

b) the International Centre for Settlement of Investment Disputes (ICSID), taking into account the relevant provisions where they can be applied, the Convention on the Settlement of Investment Disputes between States and Nationals of Other States opened for signature March 18, 1965 in Washington, DC, as well as the additional body implementation of conciliation, arbitration and to clarify the circumstances of the case; or

c) the arbitral tribunal "ad hoc", that is, if the parties to the dispute agree otherwise, shall be established and act in accordance with the arbitration rules on International Trade Law of the United Nations Commission (UNCITRAL).

3. Each Contracting Party hereby consents to the transfer of an investment dispute to international arbitration of. The arbitration award shall be final and binding on both parties to the dispute.

4. A Contracting Party party to the dispute, will not be in the arbitral proceedings or execution of the decision of the arbitral tribunal to refer to defend its sovereignty, or the fact that the investor of the other Contracting Party has received under the contract of insurance compensation covering the whole or in part suffered lesion.

Article 10. 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 Contracting Parties fail to reach an agreement within twelve months after the dispute has arisen between them, the dispute shall be referred, at the request of either Contracting Party to an arbitration tribunal consisting of three members.

Each Contracting Party shall appoint one arbitrator and these two arbitrators shall elect a chairman of the court, which must be a citizen of a third State.

3. If one of the Contracting Parties has not appointed its arbitrator and has not responded to the invitation of the other Contracting Party to make such appointment within two months, the arbitrator shall be appointed at the request of the latter Contracting Party, the International President of the Court.

4. If both arbitrators can not reach an agreement about the choice of President of the Court within two months of their appointment, the Chief Justice shall be appointed at the request of any of the Contracting Parties to the International Court of Justice.

5. If, in the cases provided for in paragraphs 3 and 4 of this Article, the President of the International Court of Justice can not perform the said function or if he is a citizen of either Contracting Party, the appointment shall be made Vice-Chairman; if the latter is also unable to do so or if he is a citizen of either Contracting Party, the appointment shall be made the next most senior member of the International Court of Justice who is not a national of either Contracting Party. Appointment of Chairman shall be held within three months from the date of referral to the International Court of Justice.

6. A 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 court costs associated with its participation in the arbitration proceedings, and costs related to the consideration of the dispute, will be divided equally between the Contracting Parties. The Court itself defines the rules of their work.

Article 11. Applicability of this Agreement

This Agreement shall apply to all investments made in accordance with the law of the Contracting Party in whose territory the investment, regardless of whether they were made before the entry into force of this Agreement, or after, but not applicable to the solution of any dispute or claim relating to investments that decision before the entry into force of the Agreement have been accepted.

Article 12. Applicability of other Regulations

If the legislation of one Contracting Party or existing or subsequently agreed in addition to the present Agreement between the Contracting Parties obligations under international law contain a general or special rules, according to which the investment of investors of the other Contracting Parties to apply more favorable treatment than that which 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 13. Amendments

Since the entry into force of this Agreement and its provisions may subsequently be amended or supplemented by mutual consent of the Contracting Parties. Such changes or additions will take effect from the date of notification by the Contracting Parties on the implementation of all measures necessary for their entry into force of internal procedures.

Article 14. Entry Into Force, Terms and Termination

1. Each Contracting Party shall notify in writing the other Contracting Party of the fulfillment of all requirements for the entry into force of this Agreement, internal procedures. This Agreement shall enter into force thirty days from the date of receipt

of the last of the two notifications.

2. This Agreement shall remain in force for ten years and shall remain in force until such time as the Contracting Parties have notified each other in the twelve months of its intention to terminate this Agreement. At the same time in respect of investments made prior to the termination of this Agreement, its provisions relating to such investments, will remain in force for twelve years from the date of termination of this Agreement.

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

Done in duplicate at Minsk on 28 May 2001, each in the Russian and Mongolian languages, all texts being equally authentic and have equal legal force. In case of divergence of interpretation of this Agreement will be given to the text in Russian.

For the Government of the Republic of Belarus For the Government of Mongolia Signature Signature