AGREEMENT
BETWEEN
THE GOVERNMENT OF THE SULTANATE OF OMAN
AND
THE GOVERNMENT of UKRAINE
ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Sultanate of Oman and the Government of Ukraine (hereinafter referred to as the "Contracting Parties" (and each referred to as the "Contracting Party").

Desiring to expand and strengthen the existing economic cooperation between the two countries to their mutual benefit, and to create conditions conducive to increase investments by the investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the promotion and protection of investments will help stimulate business initiatives and the transfer of capital and technology between the two countries in the interest of their economic development;

Have agreed as follows;

ARTICLE 1
DEFINITIONS

For the purposes of this Agreement:

1. The term "investment" means every kind of assets effected as investment in accordance with the laws and regulations of the Contracting Party which accepts investment in its territory and shall include in particular, though not exclusively:

   a) Movable and immovable property as well as any other rights *in rem* such as mortgages, pledges and similar rights;

   b) Shares, premium on shares and other kinds of interest in companies;

c) Title to money or debentures or title to any legitimate performance having an economic value;

d) Returns.

e) Copyrights, industrial property rights (such as patents, licenses, trade marks, industrial models and mock-ups), technical processes, trade names and good will;

f) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources;

Any alteration of the form in which assets are invested or reinvested shall not affect their qualification as investments provided that such alteration is not in conflict with the legislation of the Contracting Party on the territory of which the investment is made.

2. The term " investor " shall mean any natural or legal person of one Contracting Party who invests in the territory of the other Contracting Party .

A) The term "natural person " means with respect to either Contracting Party a natural person holding the nationality of that state in accordance with its laws .

B) The term "legal person" means any legal person constituted on the territory of one Contracting Party in accordance with the laws of that Contracting Party.

3. The term "returns" means all amounts produces by an investment or reinvestment including investment in assistance and technical services, such as profits, royalties, capital gains, share dividends, fees and interest.

4. The term "territory" means the territory of each Contracting Party and the adjacent maritime areas over which each Contracting Party exercises sovereign rights or jurisdiction in accordance with its laws and International Law.

ARTICLE 2
PROMOTION AND PROTECTION OF INVESTMENTS

Each Contracting Party shall admit, promote and protect on its territory and its maritime area, in accordance with its legislation and with the provisions of this Agreement, investment made by investor of the other Contracting Party.

ARTICLE 3
FAIR AND EQUITABLE TREATMENT

Each Contracting Party shall extend fair and equitable treatment in accordance with the principles of International Law to investments made by investor of the other Contacting Party on its territory.

ARTICLE 4
NATIONAL AND MOST FAVOURED NATION TREATMENT

Each Contracting Party shall apply on its territory to the investors of the other Contracting Party, with respect to their investments and activities related to investments, a treatment not less favorable than that granted to the investors of a third state.

This treatment shall not include the privileges granted by one Contracting Party to investors of a third state by virtue of its participation or association in a Free Trade Area, Customs Union, Common Market of any other form of regional economic cooperation.

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

ARTICLE 5
NATIONALIZATION AND EXPROPRIATION

(1) The investments made by investors of one Contracting Party shall enjoy full and complete protection and safety on the territory of the other Contracting Party.

(2) Investments of investors of either Contracting Party shall not be nationalized expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose related to the internal needs of that Party and on a non-discriminatory basis.

Any measures of expropriation which might be taken shall give rise to prompt, adequate and effective compensation, the amount of which shall be calculated on the basis of the fair market value of the investment immediately prior to the point of time when the decision for expropriation was announced or became publicly known. Where the market value cannot be readily ascertained, the compensation shall be determined in accordance with the generally recognized principles of valuation and on equitable principles taking into account, *inter alia*, the capital invested, depreciation, capital already repatriated, replacement value and other relevant factors. The compensation shall include interest at the current LIBOR rate of interest applicable to the currency in which the investment was originally undertaken, from the date of expropriation until the date of payment.

The said compensation shall be effectively realizable, shall be paid without delay and shall be freely transferable.

ARTICLE 6
COMPENSATION

The investors of one Contracting Party whose investments have sustained losses due to war or any other armed conflict, revolution, national state of emergency or revolt occurring on the territory of the other Contracting Party, shall enjoy treatment from the latter Contracting Party that is not less favorable than that granted to its own investors or those of any third state, whichever is more favorable to the investors concerned.

ARTICLE 7
TRANSFERS

Each Contracting Party, on the territory of which the investment have been made by investors of the other Contracting Party, shall guarantee to these investors, after payment of their financial obligations, the free transfer of:

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

(b) royalties,

(c) repayments of loans which have been regularly contracted,

(d) value of partial or total liquidation or expropriation of investment including capital gains on the capital invested,

(e) compensation for expropriation or loss described in Articles 5 & 6 above,

(f) earnings of natural or legal persons of either Contracting Party who have been authorized to work on the territory of the other Contracting Party, as a result of an approved investments,

(g) capital and additional capital amounts used to maintain, increase, or expand existing investments,

(h) returns,

The transfers referred to in the foregoing paragraphs shall be promptly effected at the official exchange rate prevailing on the date of transfer.

ARTICLE 8
SUBROGATION

If one Contracting Party, as a result of a guarantee given for an investment made on the territory of the other Contracting Party, makes payments to its own investors, the first mentioned Party has, in this case, full rights of subrogation with regard to the right and actions of the said investor .

The said payments shall not affect the rights of the beneficiary of the guarantee to make recourse to the ICSID.

ARTICLE 9
SPECIAL COMMITMENT

Investments having formed the subject of a special commitment of one Contracting Party, with respect to the investors of the other Contracting Party, shall be governed, without prejudice to the provisions of this Agreement, by the terms of the said commitment if the latter includes provisions more favourable than those of this Agreement.

ARTICLE 10
SETTLEMENT OF DISPUTES BETWEEN AN INVESTOR AND A CONTRACTING PARTY

Any dispute concerning the investments arising between one Contracting Party and an investor of the other Contracting Party shall be settled amicably between the two parties concerned.

If the dispute has not been settled within a period of six months from the date on which it arose, it shall be submitted at the request of either party to arbitration by the International Center for the Settlement of Investment Disputes (ICSID), created by the Convention for the Settlement of Investment Disputes between States and Nationals of other States signed in Washington on March 18, 1965.

ARTICLE 11
SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING PARTIES

(1) Disputes relating to the interpretation or application of this Agreement shall be settled, if possible by negotiations through diplomatic channels.

(2) If the dispute has not been settled within a period of six months from the date on which the matter was raised by either Contracting Party, it may be submitted at the request of either Contracting Party to an Arbitral Tribunal.

(3) The said Tribunal shall be created as follows for each specific case:

Each Contracting Party shall appoint one arbitrator, and the two thus appointed shall appoint by mutual agreement a third arbitrator, who must be a national of a third country which maintains diplomatic relations with both Contracting Parties, and who shall be designated as Chairman of the Tribunal by the two Contracting Parties. All the arbitrators must be appointed within two months from the date of notification by one Contracting Party to the other Contracting Party of its intention to submit the dispute to arbitration.

(4) If appointments of arbitrators have not been made within the period specified in paragraph 3 of this Article, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or is otherwise prevented from discharging the said function, the next most senior member of the International Court of Justice who is not a national of either Contracting Party shall be invited to make the necessary appointments.

(5) The Tribunal shall reach its decision by a majority of votes. This decision shall be final and legally binding on both Contracting Parties. The Tribunal shall set its own rules of procedure. It shall interpret such decision at the request of either Contracting Party. Unless decided otherwise by the Tribunal, in accordance with special circumstances, the legal costs, including the fees of the arbitrators, shall be shared between the two Contracting Parties.

ARTICLE 12
ENTRY INTO FORCE AND DURATION

(1) This Agreement shall enter into force on the latter date on which either Contracting Party notifies the other through diplomatic channels that its legal requirements for the entry into force of this Agreement have been fulfilled.

(2) This Agreement shall remain in force for 10 years and shall continue in force thereafter for similar period or periods unless terminated in writing by either Contracting Party one year at least before its expiration.

(3) In respect of investments made prior to the date of termination of the Agreement, the provisions of Article 1 to 11 shall continue to be effective for a further period of 20 years of the date of termination of the Agreement.

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

Done in duplicate at Muscat on this 30th.....day of Shawal.1422H, corresponding to the 1.4.44.day of January 2002 in the Arabic, Ukrainian and English languages, all texts being equally authentic. In case of any divergence, the English text shall prevail.

For the Government of
The Sultanate of Oman

Ahmad bin Abdull Nabi Macki
Minister of National Economy,
Deputy Chairman of the Financial
And Energy Resources

For the Government of
Ukraine

Anatoliy Zlenko
Minister of Foreign Affairs