

Exchange of Notes at Teheran September 11, 2004 and January 1, 2006

Entered into force March 31, 2006

(Iranian Proposing Note)

No. 150/11336

The Protocol Department of the Ministry of Foreign Affairs of the Islamic Republic of Iran presents its compliments to the Embassy of the Republic of Korea in Tehran and with reference to the Ministry Note 150/6900 dated February 14, 2004 and the Embassy Note KIR/C-173-2004 dated May 17, 2004, and following the recent negotiations held between the representatives of the two governments concerning the amendment to Agreement between the Government of the Islamic Republic of Iran and the Government of the Republic of Korea for the Promotion and Protection of Investments, which was signed on October 31, 1998 in Tehran but has not come into force yet, the Ministry of Foreign Affairs of the Islamic Republic of Iran has the honor to propose that the following text replace the last part of Para. 2 of Article 6 of the said Agreement:

"In case of delay in the payment of the compensation, the investor and the host state shall agree on the extra financial compensation for the delay period between the date of entitlement of the investor to compensation and the date of payment. The compensation including the extra financial compensation shall be made without undue delay."

It is to be noted that previous text in the Agreement between the two countries was as follows:

"Such compensation shall include extra compensation at the official commercial rate for the delayed payments from the date of expropriation until the date of payment and shall be made without undue delay."

It would be appreciated if the Embassy would convey the view of the Government of the Republic of Korea concerning the above proposal to the Ministry.

The Ministry of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the Republic of Korea in Tehran the assurances of its highest consideration.

Tehran, September 11, 2004

(Korean Reply Note)

KIR/C-07-2006

The Embassy of the Republic of Korea presents its compliments to the Ministry of Foreign Affairs of the Islamic Republic of Iran and has the honor to acknowledge the receipt of the Ministry's Note 150/11336 dated September 11, 2004, whereby the Ministry of Foreign Affairs of the Islamic Republic of Iran proposed that the following text replace the last part of paragraph 2 of Article 6 of the Agreement between the Government of the Republic of Korea and the Government of the Islamic Republic of Iran for the Promotion and Protection of Investments signed on October 31, 1998:

"In case of delay in the payment of the compensation, the investor and the host state shall agree on the extra financial compensation for the delay period between the date of entitlement of the investor to compensation and the date of payment. The compensation including the extra financial compensation shall be made without undue delay."

It is to be noted that the previous text of the Agreement was as follows:

"Such compensation shall include extra compensation at the official commercial rate for the delayed payments from the date of expropriation until the date of payment and shall be made without undue delay."

The Embassy has further the honor to confirm that the foregoing proposal is acceptable to the Government of the Republic of Korea, and that the Ministry's said Note and this Note shall constitute an agreement to the correction of the last part of paragraph 2 of Article 6 of the Agreement.

The Embassy of the Republic of Korea avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Islamic Republic of Iran the assurances of its highest consideration.

Tehran, January 1, 2006

