

AGREEMENT

between

the Government of the Republic of Belarus and

the Government of the Republic of Estonia

on the Promotion and Reciprocal Protection of Investments

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

Desiring to intensify economic co-operation to the mutual benefit of both States,

Intending to create and maintain favourable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party, and

Conscious that the promotion and reciprocal protection of investments on the basis of the this Agreement will stimulate the business initiatives in both States,

Have agreed as follows:

Article 1

Definitions

For the purposes of this Agreement:

1. 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" shall mean any natural person having the nationality of either Contracting Party in accordance with its laws and regulations;

b) the term "legal person" shall mean with respect to either

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Definitions

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1. 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" shall mean any natural person having the nationality of either Contracting Party in accordance with its laws and regulations;

b) the term "legal person" shall mean with respect to either

Contracting Party any legal entity incorporated or constituted in accordance with the laws and regulations of one of the Contracting Parties.

2. The term "investment" shall mean every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter and shall include, in particular:

a) movable and immovable property as well as any other property rights such as mortgages, pledges, and similar rights;

b) shares, stocks and debentures of companies or any other form of participation in a company;

c) claims to money or to any performance having a financial value;

d) intellectual property rights, including copyrights, patents, trade marks, industrial designs, geographical indications and technical processes, trade secrets, business names, know-how and goodwill, as well as other similar rights recognised by the laws and regulations of both Contracting Parties;

e) concessions conferred by the laws and regulations of the Contracting Party in whose territory the investments were made or under a contract by a competent authority, including concessions to search for, extract, develop or exploit natural resources.

Any alteration of the form in which assets are invested or reinvested shall not affect their character as an investment provided that such alteration is made in accordance with the laws and regulations of the Contracting Party in whose territory the investment was made.

3. The term "returns" shall mean amounts yielded by an investment and in particular includes profits, dividends, interests, royalties, capital gains, or any kind of payments related to an investment.

4. The term "territory" means the land, internal waters and territorial sea of the Contracting Party and the airspace above them, as well as the

maritime areas adjacent to the external boundary of the territorial sea, including the seabed and subsoil, over which that Contracting Party exercises sovereign rights or jurisdiction in accordance with its national laws and according to international law.

Article 2

Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favourable investment conditions for investors of the other Contracting Party in its territory and shall admit such investments in accordance with its laws and regulations.

2. Investments of investors of either Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use or disposal of investments made by the investors of the other Contracting Party.

Article 3

National Treatment and Most-Favoured-Nation Treatment

1. Each Contracting Party shall in its territory accord to investments and returns of investors of the other Contracting Party treatment no less favourable than that accorded to investments and returns of its own investors or to investments or returns of investors of any third state, whichever is more favourable to the investor concerned.

2. Each Contracting Party shall in its territory accord to investors of

the other Contracting Party, as regards management, maintenance, use or disposal of their investment, treatment no less favourable than that accorded to its own investors or to investors of any third state, whichever is more favourable to the investor concerned.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party and to their investments the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:

a) free trade area, customs union, common market, economic and monetary union or similar international agreements including other forms of regional economic cooperation to which either Contracting Party is or may become a party;

b) any international arrangement or agreement relating wholly or mainly to taxation to which either Contracting Party is or may become a party.

Article 4

Expropriation

1. Investments of investors of either Contracting Party shall not be nationalised, expropriated or subjected to any other measures, direct or indirect, having an effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except:

- a) for public purpose,
- b) on a non-discriminatory basis,
- c) in accordance with due process of law, and
- d) accompanied by payment of prompt, adequate and effective

compensation.

2. Compensation shall amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation became publicly known, whichever is earlier (hereinafter referred to as the "valuation date"). Such market value shall be expressed in a freely convertible currency at the market rate of exchange prevailing for that currency on the valuation date.

3. Compensation shall include interest from the date of expropriation until the date of payment at a rate, which shall be not less than the London Interbank Offered Rate (LIBOR). Compensation shall be paid without delay, be effectively realisable and freely transferable.

4. An investor of a Contracting Party affected by the expropriation carried out by the other Contracting Party shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this Article, by a judicial authority or another competent and independent authority of the latter Contracting Party.

Article 5

Compensation for Losses

1. Investors of one Contracting Party whose investments suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot or other similar event in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party, as regards compensation or other settlement, a treatment no less favourable than the treatment accorded by the latter Contracting Party to its own investors or investors of any third state, whichever is more favourable to the investor concerned.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from:

a) requisitioning of its investment or a part thereof by the latter's armed forces or authorities; or

b) destruction of its investment or a part thereof by the latter's armed forces or authorities, which was not required by the necessity of the situation,

shall be accorded by the latter Contracting Party restitution or compensation which in either case shall be prompt, adequate and effective and, with respect to compensation, shall be made in accordance with paragraphs 2-4 of Article 4 of this Agreement from the date of requisitioning or destruction until the date of actual payment.

Article 6

Transfers

1. Each Contracting Party shall ensure to the investors of the other Contracting Party, after they have fulfilled all their fiscal obligations, the free transfer of payments relating to their investments into and out of its territory. Such transfers shall include, in particular:

- a) returns as defined in paragraph 3 of Article 1 of this Agreement;
- b) capital and additional amounts necessary for the maintenance or development of the investment;
- c) payments made under a contract including loan agreements;
- d) proceeds of the total or partial sale or liquidation of the investment;

- e) compensation under Articles 4 and 5 of this Agreement;
- f) payments arising out of the settlement of an investment dispute;
- g) earnings of natural persons of one Contracting Party working in connection with an investment made in the territory of the other Contracting Party.

2. The transfers mentioned in this Article shall be made without delay in a freely convertible currency at the market rate of exchange prevailing on the date of transfer.

Article 7

Subrogation

1. If a Contracting Party or its designated agency (hereinafter referred to as the "insurer") makes a payment to its own investors under an insurance contract or guarantee against non-commercial risks in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognise:

a) the assignment to the insurer, whether by law or by legal transaction, of all rights or claims ensuing from such an investment; and

b) that the insurer is entitled by virtue of subrogation to exercise these rights and to enforce such claims and assume the obligations related to the investment.

2. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

3. Any dispute between one Contracting Party and the insurer shall be settled in accordance with the provisions of Article 8 of this Agreement.

Article 8**Settlement of Disputes between a Contracting Party
and Investor of the other Contracting Party**

1. Any investment dispute between one Contracting Party and an investor of the other Contracting Party should be settled amicably between the two parties to the dispute.

2. If the dispute has not been settled within three months from the date on which it was raised in writing, the dispute may, at the choice of the investor, be submitted to:

a) the competent courts of the Contracting Party in whose territory the investment is made; or

b) arbitration by the International Centre for Settlement of Investment Disputes (ICSID), established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington on 18 March 1965; or

c) an ad hoc arbitration tribunal to be established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL); or

d) any other previously accepted international ad hoc arbitration tribunal.

3. Once the investor has submitted the dispute to the competent court of the host Contracting Party or to one of the arbitration procedures stipulated in paragraphs 2(b) to 2(d) of this Article, the choice of the procedure is final.

4. Each Contracting Party hereby gives its consent to the submission of a dispute to international arbitration in accordance with the provisions of paragraphs 2(b)-2(d) of this Article. No further written agreement between

a Contracting Party and an investor of the other Contracting Party is needed.

5. The Contracting Party, which is a party to the dispute, cannot, at any phase of the arbitral proceedings or of the execution of an arbitral award, raise an objection, on account of the fact that the investor, which is the other party to the dispute, has received an indemnification covering a part or the whole of its losses by virtue of an insurance.

6. The award shall be final and binding on the parties to the dispute. Each Contracting Party undertakes to execute the award in accordance with its national laws and regulations.

Article 9

Settlement of Disputes between the Contracting Parties

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

2. If the dispute cannot thus be settled within six months following the date on which either Contracting Party requested such negotiations, it shall at the request of either Contracting Party be submitted to an Arbitral Tribunal of three members.

3. Such Arbitral Tribunal shall be constituted for each individual case in the following way: within two months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. Those two members shall then select a national of a third State who on approval by the two Contracting Parties shall be appointed Chairman of the Tribunal. The Chairman shall be appointed within four months from the date of appointment of the other two members.

4. If the necessary appointments have not been made within the periods 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 Member of the International Court of Justice next in seniority in office who is not a national of either Contracting Party or is not otherwise prevented from discharging the said function, shall be invited to make the necessary appointments.

5. The Arbitral Tribunal shall reach its decision by a majority of votes. The decisions of the Tribunal shall be final and binding on both Contracting Parties. Each Contracting Party shall bear the costs of the member appointed by that Contracting Party and of its representation in the arbitral proceedings. Both Contracting Parties shall assume an equal share of the costs of the Chairman, as well as any other costs. The Tribunal may make a different decision regarding the sharing of the costs. The Arbitral Tribunal shall determine its own rules of procedure.

Article 10

Application of other Rules

If a matter is governed simultaneously both by this Agreement and by another international agreement to which both Contracting Parties are parties to, nothing in this Agreement shall prevent either Contracting Party or any of its investors who make investments in the territory of the other Contracting Party from taking advantage of whichever rules are more favourable to its case.

Article 11**Applicability of this Agreement**

This Agreement shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party in accordance with its laws and regulations, whether made before or after the entry into force of this Agreement, but shall not apply to any investment dispute that may have arisen or any claim that was settled before its entry into force.

Article 12**Consultations**

Representatives of the Contracting Parties shall, whenever necessary, hold consultations on any matter affecting the implementation of this Agreement. These consultations shall be held on the proposal of one of the Contracting Parties at a place and a time to be agreed upon through diplomatic channels.

Article 13**Entry into Force, Duration, Amendment and Termination**

1. The Contracting Parties shall notify each other in writing when their constitutional requirements necessary for the entry into force of this Agreement have been fulfilled. The Agreement shall enter into force on the thirtieth (30) day following the date of receipt of the last notification.
2. This Agreement shall remain in force for a period of ten years and shall thereafter remain in force for further periods of ten years until either

Contracting Party notifies the other Contracting Party in writing twelve months beforehand of its intention to terminate the Agreement.

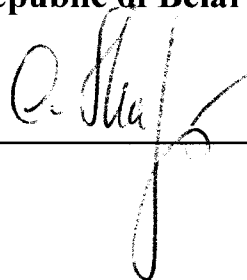
3. This Agreement may be amended by written agreement between the Contracting Parties. Any amendment shall enter into force under the same procedure required for entering into force of this Agreement.

4. In respect of investments made prior to the date of termination of this Agreement, the provisions of Articles 1-12 shall remain in force for a further period of ten years from the date of termination of this Agreement.

In witness whereof, the undersigned representatives, duly authorised thereto, have signed this Agreement.

Done in duplicate at Minsk on 21 October 2009 in the Russian, Estonian and English languages, all texts being equally authentic. In case of divergence of interpretation the English text shall prevail.

**For the Government of
the Republic of Belarus**



**For the Government of
the Republic of Estonia**

