

AGREEMENT

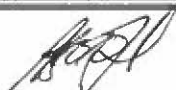
BETWEEN

***THE GOVERNMENT OF
THE RUSSIAN FEDERATION***

AND

***THE GOVERNMENT OF
THE ISLAMIC REPUBLIC OF IRAN***

***ON PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS***



PREAMBLE

The Government of the Russian Federation and the Government of the Islamic Republic of Iran, hereinafter referred to as the "Contracting Parties",

desiring to intensify economic co-operation to the mutual benefit of nationals of the States of both Contracting Parties,

intending to utilize their economic resources and potential facilities in the area of investments as well as to create and maintain favourable conditions for investments of the investors of the Contracting Parties in each other's territory, and

recognizing the need to promote and protect investments of the investors of the Contracting Parties in each other's territory,

have agreed as follows:

ARTICLE 1 DEFINITIONS

For the purpose of this Agreement the meanings of the terms used therein are as follows:

1. The term "investment" refers to any kind of asset, invested by the investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter Contracting Party including the following:

(a) movable and immovable property as well as property rights related thereto;

(b) shares or any kind of participation in the capital of companies;

(c) title to money or to any performance having a financial value related to investments;

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(d) intellectual property rights such as, in particular, copyrights, patents, utility models, industrial designs, trade marks and names and know-how;

(e) rights conferred by law or under contracts in accordance with the laws and regulations of the latter Contracting Party such as rights to explore, develop, extract and exploit natural resources.

Any changes in the form of an investment shall not affect its character as investment as long as such changes do not contradict the laws and regulations of the latter Contracting Party.

2. The term "investor" in respect of either Contracting Party refers to:

(a) natural persons who according to the laws and regulations of that Contracting Party are nationals of its State and do not have the nationality of the State of the Contracting Party in the territory of which the investments have been made;

(b) legal persons which are established under the laws and regulations of that Contracting Party and have their seats in the territory of that Contracting Party.

3. The term "returns" refers to the amounts yielded by an investment including profit derived from investments, dividends, royalties and fees.

4. The term "territory of a Contracting Party" refers to the territory of the Russian Federation or the territory of the Islamic Republic of Iran, as the case may be.

5. The term "laws and regulations of a Contracting Party" refers to the laws and regulations of the Russian Federation or the laws and regulations of the Islamic Republic of Iran, as the case may be.

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ARTICLE 2
PROMOTION AND ADMISSION OF INVESTMENTS

1. Either Contracting Party shall within the framework of its laws and regulations endeavour to create favourable conditions for the attraction of investments of investors of the other Contracting Party in its territory.

2. Either Contracting Party shall in accordance with its laws and regulations admit in its territory investments of investors of the other Contracting Party.

3. When an investment is admitted, either Contracting Party shall in accordance with its laws or regulations grant all necessary permits for the realization of such an investment.

ARTICLE 3
TREATMENT OF INVESTMENTS

1. Each Contracting Party shall ensure in its territory fair and equitable treatment of the investments made by investors of the other Contracting Party in respect of management, maintenance, enjoyment, use or disposal of such investments.

2. The treatment referred to in paragraph 1 of this Article shall be as favourable as that granted by the former Contracting Party to the investments of its investors or to the investments of investors of any third State, whichever the investor considers as more favourable.

3. Each Contracting Party shall reserve the right to apply and to introduce in accordance with its laws and regulations exceptions to national treatment granted in accordance with paragraph 2 of this Article to investments of foreign investors.

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4. The provisions of paragraph 2 of this Article related to the most favoured nation treatment shall not be construed so as to oblige one Contracting Party to extend to investments made by investors of the other Contracting Party the benefits, privileges and advantages which the former Contracting Party is according or shall accord in future to the investors of any third State:

(a) in connection with the participation in a free trade area, customs or economic union, a common market or similar economic institutions;

(b) on the basis of agreements concluded to avoid double taxation, or other arrangements on taxation issues.

5. Without prejudice to the provisions of Articles 4, 5 and 9 of this Agreement neither Contracting Party is committed by this Agreement to accord a treatment more favourable than the treatment granted by such Contracting Party in accordance with any multilateral agreements concerning the treatment of investments to which both Contracting Parties are parties or from the date of accession of its State to the World Trade Organization (WTO) in accordance with its obligations under the Agreement establishing the WTO signed on 15th of April 1994, including the obligations under the General Agreement on Trade in Services (GATS).

ARTICLE 4 EXPROPRIATION AND COMPENSATION

1. Investments of investors of one Contracting Party made in the territory of the other Contracting Party shall not be nationalized, expropriated or subjected to any measures having effect equivalent to expropriation or nationalization (hereinafter referred to as expropriation), except when such measures are taken for public purposes, in accordance with the procedure established by the laws and regulations of the latter Contracting Party, in a non-discriminatory manner and upon payment of

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prompt, effective and appropriate compensation. The amount of compensation shall be paid without undue delay.

2. The compensation referred to in paragraph 1 of this Article shall correspond to the market value of the expropriated investments calculated on the date immediately preceding the date of the expropriation or the date when the impending expropriation became public knowledge, whichever is the earlier. The compensation shall be paid in a freely convertible currency and shall be freely transferred subject to Article 6 of this Agreement from the territory of the latter

3. Contracting Party to the territory of the former Contracting Party. From the date of expropriation until the date of the payment of the compensation, the compensation shall include a rate of return calculated on the basis of the market prevailing rate of return.

ARTICLE 5 COMPENSATION FOR LOSSES

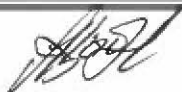
Investors of either Contracting Party whose investments suffer losses due to any armed conflict, revolution or other similar events in the territory of the other Contracting Party shall be accorded by the latter Contracting Party a treatment, as regards restitution, indemnification, compensation or other settlement, which the latter Contracting Party accords to investors of a third State or its investors whichever is more favourable to the investor.

ARTICLE 6 TRANSFERS OF PAYMENTS

1. Each Contracting Party shall in accordance with its laws and regulations and after fulfilment by investors of the other Contracting Party of all their financial obligations towards the former Contracting Party, including taxes, permit transfers to be made freely and without delay out of its territory related to investments referred to in this Agreement, and in particular:

- (a) returns;

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(b) proceeds from the sale and (or) liquidation of all or a part of an investment;

(c) sums paid pursuant to Articles 4 and (or) 5 of this Agreement;

(d) loan instalments related to an investment provided that they are paid out of such investment activities;

(e) monthly salaries and wages received by the investor and the employees of the investor who have obtained in the territory of the former Contracting Party the corresponding work permits related to the investments;

(f) payments arising from a decision referred to in Article 9 of this Agreement.

2. The transfers of payments shall be made without delay in a freely convertible currency at the rate of exchange applicable on the date of the transfer pursuant to the exchange legislation of the Contracting Party in whose territory the investments were made.

ARTICLE 7 SUBROGATION

If a Contracting Party or its designated agency makes a payment to its investor under an insurance or guarantee it has contracted with respect to an investment in the territory of the other Contracting Party against non-commercial risks, the latter Contracting Party shall recognize the subrogation of the former Contracting Party or its designated agency to all the rights and claims of the investor. The former Contracting Party or its designated agency is entitled to exercise such rights and enforce such claims in accordance with the laws and regulations of the latter Contracting Party to the same extent as the investor would have been entitled to exercise or enforce.

ARTICLE 8 SCOPE OF THE AGREEMENT

This Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party

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beginning from 1st of January 1992. It shall, however, not apply to any disputes concerning the investments which arose before entry into force of the present Agreement or to any claims concerning the investments arising out of events that had occurred before its entry into force.

ARTICLE 9
SETTLEMENT OF DISPUTES BETWEEN A CONTRACTING
PARTY AND AN INVESTOR OF THE OTHER CONTRACTING
PARTY

1. If any dispute arises under this Agreement between one Contracting Party and an investor of the other Contracting Party with respect to an investment of the investor made in the territory of the former Contracting Party, the former Contracting Party and the investor shall primarily endeavour to settle the dispute through negotiations and consultations.

2. In case that such dispute cannot be settled as provided for in paragraph 1 of this Article within six months from the date of a written notification of the claim by one party to the other party to the dispute, the dispute may be submitted at the choice of the investor for settlement to:

(a) a competent court of the State of the former Contracting Party;

(b) the arbitration of the International Centre for the 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, D.C. 18th of March 1965 for settlement of the dispute according to provisions of this Convention (provided it has entered into force for the States of both Contracting Parties);

(c) an *ad hoc* arbitral tribunal, in compliance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

3. The decision of the arbitral tribunal shall be final and binding on the parties to the dispute. Each Contracting Party ensures the enforcement of this decision in accordance with its laws and regulations.

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ARTICLE 10
SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING
PARTIES

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this Agreement shall, in the first place, be settled amicably by consultations.

2. If the dispute is not settled amicably through consultations either Contracting Party may upon six months from the date of the receipt of the written request for the consultations referred to in paragraph 1 of this Article, refer the case to an arbitral tribunal, consisting of two arbitrators and the Chairman of the arbitral tribunal, by sending a written notification to the other Contracting Party.

3. In case the dispute is referred to the arbitral tribunal either Contracting Party shall appoint an arbitrator within sixty days from the receipt of the notification mentioned in paragraph 2 of this Article and the arbitrators appointed by the Contracting Parties shall select, upon approval of both Contracting Parties, the Chairman of the arbitral tribunal within sixty days from the date of the appointment of the last arbitrator. If either Contracting Party does not appoint its own arbitrator or the appointed arbitrators do not agree on the appointment of the Chairman of the arbitral tribunal within the said periods, in the absence of any other agreement between the Contracting Parties, each Contracting Party may request the President of the International Court of Justice to appoint the arbitrator which has not been appointed by a Contracting Party or the Chairman of the arbitral tribunal, as the case may be. The Chairman of the arbitral tribunal shall be a national of a State having diplomatic relations with the States of both Contracting Parties at the time of the appointment.

4. In case the Chairman of the arbitral tribunal is to be appointed by the President of the International Court of Justice and the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of the State of either Contracting Party, the appointment shall be made by the Vice-President of the International Court of Justice. If the Vice-President of the International Court of Justice is also prevented from carrying out the said function or he is a

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national of the State of either Contracting Party, the appointment shall be made by the next in seniority member of the said court who is not a national of the State of either Contracting Party and is not otherwise prevented from carrying out the said function.

5. The arbitral tribunal shall reach its decision by a majority of votes. Such decision shall be final and binding upon the Contracting Parties. Each Contracting Party shall bear the costs of activities of the member of the arbitral tribunal appointed by it and of its representation in the arbitration proceedings. Costs related to the activities of the Chairman of the arbitral tribunal and other costs shall be borne in equal parts by the Contracting Parties. The arbitral tribunal may, however, in its decision direct that a higher portion of costs shall be borne by one of the Contracting Parties and such decision shall be binding upon both Contracting Parties. The arbitral tribunal shall establish its own procedure and the place of arbitration independently.

ARTICLE 11 CONSULTATIONS

The Contracting Parties shall consult at the request of either of them on the matters concerning the interpretation or application of this Agreement.

ARTICLE 12 ENTRY INTO FORCE AND DURATION OF THE AGREEMENT

1. This Agreement shall enter into force for a period of ten years after 30 days from the date of the last written notification of either Contracting Party to the other Contracting Party that it has fulfilled the internal State procedures required for entry into force of this Agreement in accordance with its laws and regulations. Upon expiration of this period it shall be automatically extended for subsequent periods of five years unless one of the Contracting Parties notifies the other Contracting Party in writing, at least twelve months prior to the end of the respective period, of its intention to terminate this Agreement.

2. This Agreement may be amended by a mutual written consent of the Contracting Parties. Any amendment shall enter into force

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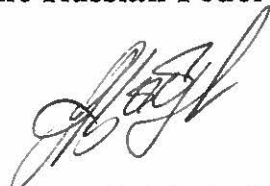


after each Contracting Party has notified the other Contracting Party in writing about the completion of the internal State procedures required for the entry into force of such amendment.

3. After the termination of this Agreement its provisions shall apply to investments falling within the scope of application of this Agreement made prior to the date of the termination of this Agreement for a further period of ten years.

Done at Tehran on December 23, 2015, corresponding to Day 2, 1394 (Solar Hijri) in duplicate, each in the Russian, Persian and English languages, all texts being equally authentic. In case of any divergence of interpretation of this Agreement the text in the English language shall be applied.

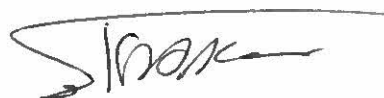
**For the Government
of the Russian Federation**



Aleksandr Tsybulskii

Deputy Minister of
Economic Development
of the Russian Federation

**For the Government
of the Islamic Republic of Iran**



Mohammad Khazae

Vice Minister & President of
the Organization For Investment
Economic & Technical Assistance of Iran

**PROTOCOL TO THE AGREEMENT
BETWEEN
THE GOVERNEMENT OF THE RUSSIAN FEDERATION
AND
THE GOVERNEMENT OF THE ISLAMIC REPUBLIC OF IRAN
ON PROMOTION AND RECIPROCAL PROTECTION OF
INVESTMENTS**

On the signing of the Agreement between the Government of the Russian Federation and the Government of the Islamic Republic of Iran on Promotion and Reciprocal Protection of Investments (hereinafter referred to as the Agreement) the undersigned representatives have agreed on the following provision which constitute an integral part of the Agreement.

For greater certainty the Contracting Parties understand that in the case of the Russian Federation, this Agreement shall only apply to investments admitted in accordance with its Law on foreign investments, and in the case of the Islamic Republic of Iran, this Agreement shall only apply to investments admitted in accordance with its Foreign Investment Promotion and Protection Act by the Organization for Investment, Economic and Technical Assistance of Iran or any other authority which may succeed it.

Done at Tehran on December 23, 2015, corresponding to Day 2, 1394 (Solar Hijri) in duplicate, each in the Russian, Persian and English languages, all texts being equally authentic. In case of any divergence of interpretation of this Protocol the text in the English language shall be applied.

**For the Government
of the Russian Federation**



Aleksandr Tsybulskii
Deputy Minister of Economic
Development of the Russian Federation

**For the Government
of the Islamic Republic of Iran**



Mohammad Khazaei
Vice Minister of Economic Affairs
& Finance and President of the Organization
for Investment, Economic & Technical
Assistance of Iran