

**AGREEMENT BETWEEN
THE GOVERNMENT OF THE RUSSIAN FEDERATION
AND
THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN
ON THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS**

The Government of the Russian Federation and the Government of the Hashemite Kingdom of Jordan, hereinafter referred to as the Contracting Parties, intending to create favorable conditions for making investments by investors of one Contracting Party in the territory of the other Contracting Party, recognizing that the promotion and reciprocal protection of investments on the basis of the present Agreement shall stimulate inflow of capital and development of the mutually beneficial trade, economic, scientific and technical co-operation, have agreed as follows:

ARTICLE 1

Definitions

For the purposes of the present Agreement the following concepts shall mean:

- a) "investor" (with regard to each Contracting Party):
any natural person who is a citizen of the state of that Contracting Party;
any legal person established or constituted under the legislation of that Contracting Party;
- b) "investments" are all kinds of property assets invested by investor of one Contracting Party in the territory of the other Contracting Party in accordance with the latter Contracting Party's legislation and in particular:
- movable and immovable property;
 - shares, stocks and other forms of shared participation in the capital of commercial organizations;
 - claims to money invested for the purpose of creating economic values or under contracts having an economic value related to investment;
 - exclusive rights to intellectual property (copyrights, patents, industrial designs, models, trade marks and service marks, technology, information having commercial value and "know-how");
 - rights conferred by law or under contract to conduct business activity related in particular to exploration, development, extraction and exploitation of natural resources.
- Any change of the form of investments shall not affect their qualification as investments if such change does not contradict the legislation of the Contracting Party in which territory the investments were made;
- c) "returns" are the amounts yielded from investments and include, in particular, profit, dividends, interest, license and other fees.

d) "territory of the Contracting Party" is the territory of the Russian Federation or the territory of the Hashemite Kingdom of Jordan as well as their respective exclusive economic zone and continental shelf defined in accordance with the Convention on the Law of the Sea (1982).

c) "legislation of the Contracting Party" is the laws and other regulations of the Russian Federation or the laws and other regulations of the Hashemite Kingdom of Jordan.

ARTICLE 2

Protection of Investments

1. Each Contracting Party shall aspire to create favorable conditions to investors of the other Contracting Party to make investments in its territory and admits such investments in accordance with its legislation.

2. Each Contracting Party shall, in accordance with its legislation, provide full protection on its territory to investments of investors of the other Contracting Party.

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 related to management, maintenance, enjoyment, use or disposal of such investments.

2. In accordance with the legislation of the Contracting Party in the territory of which the investments are made the treatment referred to in paragraph 1 of this Article shall be at least as favourable as that granted by that Contracting Party to the investments of its own investors or to investments of investors of any third State, whichever investor considers as more favorable.

3. Each Contracting Party shall reserve the right to apply and to introduce in accordance with its legislation exceptions of national treatment to foreign investors and their investments, including reinvestments.

4. The provisions of paragraphs 1 and 2 of this Article related to the most-favored nation treatment shall not be construed so as to oblige one Contracting Party to extend to the investments made by investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party:

a) in connection with any membership in a free trade area, customs union, monetary union, common market and any similar economic integration institutions or any international agreement resulting in such unions or institutions;

b) on the basis of agreements meant to avoid double taxation or other arrangements relating to taxation;

c) by virtue of the agreements concluded between the Russian Federation and the States, which had earlier formed the part of the Union of the Soviet Socialist Republics.

5. Without prejudice to the provisions of the Articles 4, 5 and 8 of the present Agreement, the Contracting Parties are not committed by the present Agreement to accord a treatment more favorable than the treatment granted by each Contracting Party

in accordance with the Agreement establishing the World Trade Organization (the Agreement WTO) signed in April, 15-th, 1994 including the obligations of the General Agreement on Trade in Services (GATS) and also in accordance with any other multilateral arrangements concerning the treatment of investments to which both Contracting Parties are parties.

ARTICLE 4 Expropriation

1. Investments of investors of one Contracting Party made in the territory of the other Contracting Party shall not be expropriated, nationalized or subjected to any measures, having effect equivalent to expropriation or nationalization (hereinafter referred to as expropriation) except when such measures are carried out in the public interests and in accordance with the procedure established by the legislation of the latter Contracting Party, when they are not discriminatory and entail prompt, adequate and effective compensation.

2. The compensation shall correspond to the market value of the expropriated investments calculated on the date immediately preceding the date of expropriation or the date when impending expropriation became public knowledge, whichever is the earlier. The compensation shall be paid without delay in freely convertible currency and shall be freely transferred subject to the Article 6 of the present Agreement from the territory of one of the Contracting Parties to the territory of the other Contracting Party. From the date of expropriation until the date of payment the amount of the compensation shall be subject to accrued interest at a market-defined commercial rate but no lower than LIBOR rate for six months US dollar credits.

ARTICLE 5 Compensation for Losses

Investors of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party as a result of war, civil disturbance or other similar events shall be accorded a treatment, as regards restitution, indemnification, compensation or other settlement, most favorable of those which the latter Contracting Party accords to investors of a third State or its own investors as regards any measures it takes in relation to such losses.

ARTICLE 6 Transfer of Payments

1. Each Contracting Party shall guarantee to investors of the other Contracting Party, upon fulfillment by them of all tax obligations, a free transfer abroad of payments related to their investments, and in particular:

- a) returns;
- b) funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as accrued interest;
- c) funds received as a result of partial or full liquidation or sale of investments;

d) compensation or other settlement stipulated in the Articles 4 and 5 of the present Agreement;

e) wages and other remunerations received by investor and natural persons of the latter Contracting Party who have the right to work in the territory of the former Contracting Party in relation to an investments.

2. The transfers 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 foreign exchange legislation of the Contracting Party in whose territory the investments were made.

ARTICLE 7

Subrogation

A Contracting Party or its designated agency having made payment to an investor based on a guarantee of protection from non-commercial risks in relation to an investment in the territory of the other Contracting Party, shall be entitled by virtue of subrogation, to exercise the rights of investor to the same extent as the said investor. Such rights shall be exercised in accordance with the legislation of the latter Contracting Party.

ARTICLE 8

Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Disputes between one of the Contracting Parties and an investor of the other Contracting Party arising in connection with an investment of the investor in the territory of the former Contracting Party, including disputes relating to the amount, conditions and procedure of payment of compensation in accordance with Articles 4 and 5 of the present Agreement or to the procedure of transfer of payments set out in Article 6, shall be settled, as far as possible, through negotiations.

2. When the dispute cannot be settled through negotiations during a period of six months starting from the date of the written request of any party to the dispute about settlement through negotiations it may be submitted at the choice of the investor for consideration:

- to a competent court or arbitration court of the Contracting Party in whose territory the investments were made, or
- to an ad hoc arbitration court in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), or
- to the International Centre for Settlement of Investment Disputes, established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed in Washington D.C. 18 March 1965 for settlement of a dispute according to provisions of this Convention (provided it enter into force for both Contracting Parties), or according to Additional Facility rules of International Centre for Settlement of Investment Disputes (provided that Convention didn't enter into force for either Contracting Party or both).

3. An Arbitration award shall be final and binding upon both parties to the dispute. Each Contracting Party ensures the enforcement of this award in accordance with its legislation.

ARTICLE 9

Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning interpretation or application of the present Agreement shall be settled, if possible, through negotiations between the Contracting Parties.

2. If the dispute cannot be settled within six months from the date of a written request for negotiations by either Contracting Party it shall, upon the request of either Contracting Party, be submitted to an arbitral tribunal.

3. An arbitrate tribunal shall be constituted for each individual case for which purpose each Contracting Party shall appoint one member of the arbitrate tribunal within two months of the receipt of the request for arbitration. Those two members shall then select a national of a third State who upon approval of the two Contracting Parties, shall be appointed Chairman of the arbitrate tribunal within one month from the date of the appointment of the other two members.

4. If within the time-limits specified in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make such appointments. If the President of the International Court of Justice is a national of the state of either Contracting Party or is otherwise unable to discharge the said function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President of the International Court of Justice is a national of the state of either Contracting Party or is otherwise unable to discharge the said function, the member of the International Court of Justice next in seniority who is not a national of the state of either Contracting Party and not otherwise prevented from discharging the said function shall be invited to make the necessary appointments.

5. The arbitrate 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 its own member of the tribunal and of its representation in the arbitration proceedings. Costs related to the activities of the Chairman of the arbitrate tribunal and other costs shall be borne in equal parts by the Contracting Parties. The 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 arbitrate tribunal shall establish its own procedure independently.

ARTICLE 10

Consultations

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

ARTICLE 11
Application of the Agreement

The present Agreement shall apply to all investments made by investors of one of the Contracting Parties in the territory of the other Contracting Party after the entry into force of the present Agreement.

ARTICLE 12
Entry into force and Duration of the Agreement

1. Each Contracting Party shall notify the other Contracting Party in writing of the completion of internal state procedures required for the entry into force of the present Agreement. The present Agreement shall enter into force on the date of the latter of the two notifications.

2. The present Agreement shall remain in force for a period of fifteen years. Thereafter it shall be automatically extended for subsequent periods of five years unless one of the Contracting Parties notifies in writing the other Contracting Party, no less than twelve months prior to the end of the corresponding period, of its intention to terminate the present Agreement.

3. The present Agreement may be amended by mutual written consent of the Contracting Parties. Any amendment to the present Agreement shall enter into force after each Contracting Party has notified the other Contracting Party in writing that it has completed all internal state procedures required for the entry into force of such amendment.

4. In respect of investments falling within the scope of application of the present Agreement made prior to the date of termination of the present Agreement, the provisions of all other articles of the present Agreement shall remain in force for the further period of fifteen years from the date of termination of the present Agreement.

In witness whereof, the undersigned representatives, duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at Amman on "13" February 2007 in duplicate in Russian, Arabic and English languages, all texts being equally authentic. In case of difference of interpretation the text in English language shall be used.

For the Government of
the Russian Federation



For the Government of
the Hashemite Kingdom of Jordan

