

AGREEMENT
BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION
AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF NIGERIA
ON THE RECIPROCAL PROMOTION AND
PROTECTION OF INVESTMENTS

The Government of the Russian Federation and the Government of the Federal Republic of Nigeria, hereinafter referred to as the Contracting Parties,

intending to create favourable conditions for making investments by investors of the State of one Contracting Party in the territory of the State of the other Contracting Party,

recognizing that the reciprocal promotion and protection of investments on the basis of this Agreement shall stimulate inflow of capital and contribute to development of mutually beneficial trade, economic, scientific and technical co-operation,

intending to provide investors of the States of both Contracting Parties with reliable and effective legal means of protection of their rights and interests related to their investments,

recognizing the right of the State of each Contracting Party to define in its legislation the conditions under which foreign investments can be admitted in its territory,

have agreed as follows:

ARTICLE 1
Definitions

For the purposes of this Agreement, the following terms shall mean:

- a) "investments" are all kinds of property assets invested by investor of the State of one Contracting Party in the territory of the State of the other Contracting

Party in accordance with the legislation of the State of the latter Contracting Party and in particular but not limited to:

- (i) movable and immovable property as well as property rights including mortgages, pledges and liens;
- (ii) shares, stocks and other forms of participation in the capital of organizations and enterprises;
- (iii) claims to money invested for the purpose of creating economic values or under contracts having an economic value and related to investments;
- (iv) exclusive rights to intellectual property including copyrights, patents, industrial designs, models, trade marks and service marks, technology, information having a commercial value and "know-how";
- (v) rights conferred by the legislation of the State of the latter Contracting Party or under contract concluded in accordance with the legislation of the State of the latter Contracting Party to conduct business activities 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 State of the Contracting Party in whose territory the investments are made;

- b) "investor" is any natural or legal person of the State of either of the Contracting Parties which made investments in the territory of the State of the other Contracting Party in accordance with the legislation of the State of the latter Contracting Party:
 - (i) "natural person" is any person who is a citizen of the State of a Contracting Party in accordance with its legislation;
 - (ii) "legal person" is any entity established or constituted in accordance with the legislation of the State of a Contracting Party;
- c) "returns" are the amounts yielded from investments including, in particular, profit, dividends, interest, license and other fees;
- d) "territory" is the territory of the Russian Federation or the territory of the Federal Republic of Nigeria as well as their respective Exclusive Economic

Zones and continental shelves defined in accordance with the United Nations Convention on the Law of the Sea of 10th December 1982;

- e) "legislation" is the laws and other regulations of the Russian Federation or the laws and other regulations of the Federal Republic of Nigeria .

ARTICLE 2

Scope of Application of the Agreement

This Agreement shall apply to all investments made by investors of the State of one of the Contracting Parties in the territory of the State of the other Contracting Party beginning from January 1st 1979 but shall not apply to any dispute concerning investments that arose before the entry into force of this Agreement.

ARTICLE 3

Promotion and Protection of Investments

1. Each Contracting Party shall endeavour to create favourable conditions for investors of the State of the other Contracting Party to make investments in the territory of the State of the former Contracting Party and admits such investments in accordance with the legislation of its State.
2. Each Contracting Party shall, in accordance with the legislation of its State, provide full legal protection and security on the territory of its State to investments of investors and to investors of the State of the other Contracting Party.

ARTICLE 4

Treatment of Investments

1. Each Contracting Party shall provide in the territory of its State fair and equitable treatment to the investments made by investors of the State 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 not be less favourable than the treatment granted by a Contracting Party to the investments of investors of its own State 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 the legislation of its State, with respect to investments of investors of the State of the other Contracting Party exemptions from the treatment granted to the investments of investors of its own State referred to in paragraphs 1 and 2 of this Article, provided that such exemptions shall not be applied and introduced on a discriminatory basis as compared with the treatment applied or introduced in respect of investments of investors of any third State.
4. The provisions 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 State of the other Contracting Party the benefits of any treatment, preference or privilege which are extended or may be extended in the future by the former Contracting Party:
 - a) in connection with its participation 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 on avoidance of double taxation or other arrangements relating to the taxation issues.
5. Without prejudice to the provisions of Articles 5, 6 and 9 of this Agreement, neither Contracting Party is committed by this Agreement to accord a treatment more favourable than the treatment granted by that Contracting Party in accordance with its obligations under the Agreement establishing the World Trade Organization of April 15th, 1994 including the obligations of the General Agreement on Trade in Services (GATS) and also in accordance with any multilateral arrangements concerning the treatment of investments to which the States of both Contracting Parties are parties.

ARTICLE 5
Expropriation

1. Investments of investors of the State of one Contracting Party made in the territory of the State of the other Contracting Party and returns of such investors shall not be expropriated, nationalized or subjected to any measures, having effect equivalent to expropriation or nationalization (hereinafter referred to as expropriation) except when expropriation is carried out in the public interests and in accordance with the procedure established by the legislation of the State of the latter Contracting Party, when it is not discriminatory and entails payment of prompt, adequate and effective compensation.
2. The compensation referred to in paragraph 1 of this Article shall correspond to the fair market value of the expropriated investments and returns calculated on the date immediately preceding the date of expropriation or the date immediately preceding 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 Article 7 of this Agreement, from the territory of the State of one of the Contracting Parties to the territory of the State of the other Contracting Party. From the date of expropriation until the date of actual payment of the compensation 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 6
Compensation for Losses

Investors of the State of one Contracting Party whose investments and returns suffer losses owing to war, armed conflict, insurrection, revolution, riot, civil disturbance, a state of national emergency or any other similar events in the territory of the State of the other Contracting Party shall be accorded by the latter Contracting Party in respect of such losses, as regards the restitution,

indemnification, compensation or other settlements, a treatment most favourable of those which the latter Contracting Party accords to investors of a third State or to investors of its own State.

ARTICLE 7

Transfer of Payments

1. Each Contracting Party shall guarantee to investors of the State of the other Contracting Party, upon fulfillment by them of all their tax obligations, a free transfer abroad of payments related to their investments, and in particular:
 - a) amounts of initial capital or any additional amounts necessary for the maintenance or extension of the investments;
 - b) returns;
 - c) funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as accrued interest;
 - d) proceeds from the partial or full liquidation or sale of investments;
 - e) sums of compensation, indemnification or other settlements referred to in Articles 5 and 6 of this Agreement;
 - f) wages and other remunerations received by investors and nationals of the State of the latter Contracting Party who have the right to work in the territory of the State of the former Contracting Party in relation to the investments;
 - g) payments resulting from the settlement of disputes pursuant to Article 9 of this Agreement.
2. The transfer of payments referred to in paragraph 1 of this Article 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 State of the Contracting Party in whose territory the investments are made.

ARTICLE 8
Subrogation

If a Contracting Party or its designated agency has granted to the investor of its State a financial guarantee of protection against non-commercial risks with respect to investments of such investor in the territory of the State of the other Contracting Party, and makes payment under such guarantee, the other Contracting Party shall recognize acquirement by the former Contracting Party or its designated agency by virtue of subrogation of all rights and claims of the investor. The former Contracting Party or its designated agency shall assert the same rights and claims as those of the investor from whom such rights and claims were acquired. Such rights and claims shall be exercised in accordance with this Agreement and the legislation of the State of the Contracting Party in whose territory the investments are made.

ARTICLE 9
**Settlement of Disputes between a Contracting Party and an Investor
of the State of the other Contracting Party**

1. Disputes between one of the Contracting Parties and an investor of the State of the other Contracting Party arising in connection with the investments of the investor in the territory of the State of the former Contracting Party, including but not limited to the disputes relating to the amount, conditions and procedure of payment of compensation in accordance with Articles 5 and 6 of this Agreement or to the procedure of transfer of payments set out in Article 7 of this Agreement, shall be settled, as far as possible, amicably through negotiations.
2. When the dispute cannot be settled amicably through negotiations during a period of six months starting from the date of receipt by any party to the dispute of a written request of the other party to the dispute about its settlement through negotiations the dispute may be submitted at the choice of the investor for consideration:

- (i) to an ad hoc arbitration court in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), or
 - (ii) 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 of March 18th, 1965 for settlement of the dispute according to the provisions of this Convention (provided it entered into force for States of both Contracting Parties), or according to Additional Facility Rules of the International Centre for Settlement of Investment Disputes (provided that Convention did not enter into force for either of the States of the Contracting Parties or both of them), or
 - (iii) to a competent court of the State of the Contracting Party in whose territory the investments are made.
3. The arbitration award on the dispute considered in accordance with this Article shall be final and binding upon both parties to the dispute. Each Contracting Party shall ensure in the territory of its State the enforcement of this award in accordance with the legislation of its State.

ARTICLE 10

Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning interpretation or application of this Agreement shall be settled, as far as possible, amicably through consultations or negotiations between the Contracting Parties.
2. If the dispute cannot be settled amicably through consultations or negotiations between the Contracting Parties within six months from the date of receipt by any Contracting Party of a written request of the other Contracting Party for consultations or negotiations it shall, upon the request of either Contracting Party, be submitted for consideration by an arbitral tribunal.
3. The arbitral tribunal shall be constituted for each individual case for which purpose each Contracting Party shall appoint one member of the arbitral tribunal within two months from the date of the receipt of the request for arbitration. Those two members of the arbitral tribunal shall then select a

national of a third State who upon approval of the two Contracting Parties, shall be appointed Chairman of the arbitral tribunal within two months from the date of the appointment of the latter of two members of the arbitral tribunal.

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 between the Contracting Parties, 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 also 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 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 its own member of the arbitral tribunal 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 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 determine its own rules of procedure independently.

ARTICLE 11 **Consultations**

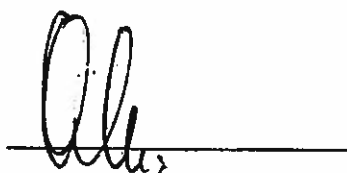
The Contracting Parties shall consult at the request of either of them on matters concerning interpretation or application of this Agreement.

ARTICLE 12**Entry into Force and Duration of the Agreement**

1. Each Contracting Party shall notify in writing the other Contracting Party of the completion of internal state procedures required for the entry into force of this Agreement. This Agreement shall enter into force on the date of the latter of the two notifications.
2. This Agreement shall remain in force for an initial 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 this Agreement.
3. This Agreement may be amended by mutual written consent of the Contracting Parties. Any amendment to this Agreement shall enter into force after each Contracting Party has notified in writing the other Contracting Party 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 this Agreement made prior to the date of termination of this Agreement, the provisions of this Agreement shall remain in force for the further period of fifteen years from the date of termination of this Agreement.

Done at Abuja, Nigeria on 24th June, 2009 in duplicate each in the Russian and English languages, both texts being equally authentic.

For the Government
of the Russian Federation



For the Government of the
Federal Republic of Nigeria

