

AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF BULGARIA
AND
THE GOVERNMENT OF.....
FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Bulgaria and the Government of (hereinafter referred to as the "Contracting Parties");

RECOGNIZING that investments are critical for sustainable development, and understanding that the promotion of investments requires co-operative efforts by investors and both Contracting Parties, whether the Host State to investments or the Home State of investors;

SEEKING to ensure that investments are consistent with and facilitative to the protection of health, safety and environment;

RECOGNIZING that the promotion and reciprocal protection of investments shall be conducive to the stimulation of economic prosperity in both Contracting Parties;

REAFFIRMING their commitment to the principles of sustainable development and transparency;

DESIRING to create favourable conditions for greater investments by investors of either Contracting Party in the territory of the other Contracting Party;

AIMING to secure an overall balance of rights and obligations between investors and the Host state;

ACKNOWLEDGING the rights and responsibilities of the Contracting Parties to regulate the investments within their territories in order to meet own policy objectives;

ACKNOWLEDGING that the investments are subject to the laws and regulations of the Host State;

RECOGNISING the importance of strengthening their investment relations, in accordance with the objective of sustainable development in the economic, social and environmental dimensions, and of promoting investment between them, mindful of the needs of the business communities of each Contracting Party, in particular small and medium-sized enterprises, and of high levels of environmental and labour protection through relevant internationally recognised standards and international agreements, to which both Contracting Parties are party;

SEEKING to establish an investment framework based on mutually advantageous rules to govern investment between the Contracting Parties that would enhance the competitiveness of their economies, make their markets more efficient and vibrant, and ensure predictable legal environment for further expansion of investment between them;

REAFFIRMING their commitment to the Charter of the United Nations and having regard to the principles articulated in the Universal Declaration of Human Rights;

Have agreed as follows:

**SECTION A
DEFINITIONS AND SCOPE**

**ARTICLE 1
Definitions**

For the purposes of this Agreement:

1. **"Investment"** means every kind of asset that has the characteristics of an investment, including such characteristics as a certain duration, the commitment of capital or other resources, the assumption of risk, the expectation of gain or profit; forms that an investment may take include:
 - a) An enterprise;
 - b) Shares, stocks and other forms of equity participation in an enterprise;
 - c) Bonds, debentures, loans and other financial instruments of an enterprise;
 - d) Interests arising from:
 - i) concessions conferred pursuant to domestic law or under a contract, including to search for, cultivate, extract or exploit natural resources,
 - ii) turnkey, construction, production, or revenue-sharing contracts, or other similar contracts;
 - e) Intellectual property rights;
 - f) Claims to money or claims to performance under a contract;
 - g) Any other moveable or immovable, tangible or intangible property, and related rights;

For greater certainty:

- (a) returns that are invested shall be treated as investment;
 - (b) Any alteration of the form in which assets are invested or reinvested shall not affect their qualification as investments, provided that the form taken by the investment or reinvestment maintains its compliance with the definition of investment;
 - (c) "claims to money" does not include claims to money that arise solely from commercial transactions for the sale of goods or services by a natural person or an enterprise in the territory of a Contracting Party to a natural person or an enterprise in the territory of the other Contracting Party, or the extension of credit in relation to such transactions; and
 - (d) an order or judgment entered in a judicial or administrative action or an arbitral award shall not in itself constitute an investment.
2. **"Covered investment"** means an investment in the territory of a Contracting Party owned or controlled, directly or indirectly, by an investor of the other Contracting Party, made in accordance with the applicable law of the Host State before or after the date of entry into force of this Agreement.
3. **"Investor of a Contracting Party"** means:
 - (i) a natural person of a Contracting Party; or
 - (ii) a juridical person duly constituted or otherwise organised under the applicable law of a Contracting Party, and engaged in the substantive business operations in the territory of a Contracting Party,that has made a covered investment in the territory of the other Contracting Party.
4. **"Operation"** means conduct, management, maintenance, use, enjoyment and sale or other form of disposal of an investment.

5. **"Territory"** means:
 - a) in respect of the Republic of Bulgaria, the territory under the sovereignty of the Republic of Bulgaria, including the territorial sea, the continental shelf, the airspace and any exclusive economic zone over which the Republic of Bulgaria exercises sovereign rights and jurisdiction in accordance with international law; and
 - b) in respect to
6. **"Returns"** means any amounts yielded by or derived from an investment or reinvestment, including profits, dividends, capital gains, royalties, interest, revenues from intellectual property rights, returns in kind and other lawful income.
7. **"Host State"** means the Contracting Party in which the investment is made.
8. **"Home State"** means the Contracting Party which is the State of origin of the investor.
9. **"Measure of a Contracting Party"** means any measure, whether in form of a law, regulation, rule, procedure, decision, practice, administrative action, or any other form¹, which is adopted or maintained by²:
 - (i) central, regional or local governments or authorities; and
 - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;
10. **"Taxation measures"** means any tax under applicable law.
11. **"Government procurement"** means the process by which a government obtains the use of or acquires goods or services, or any combination thereof, for governmental purposes and not with a view to commercial sale or resale, or use in the production or supply of goods or services for commercial sale or resale.
12. **"Confidential or protected information"** means:
 - a) The confidential business information; or
 - b) The information which is protected against being made available to the public, in the case of the information of the Host State, under laws and regulations of the Host State and in the case of other information, under any law or rules determined to be applicable to the disclosure of such information by the Tribunal.
13. **"ICSID Additional Facility Rules"** means the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes.
14. **"ICSID Convention"** means the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, 18 March 1965.
15. **"Freely convertible currency"** means a currency that can be freely exchanged against currencies that are widely traded in international foreign exchange markets and widely used in international transactions.
16. **"Disputing parties"** means the Claimant and the Respondent.
17. **"Claimant"** means investor or alleged investor seeking a remedy for the alleged breach of this Agreement by the Host state under Section D (Investor-State Dispute Settlement) of this Agreement.

¹ For greater certainty, "measure" includes failure to act.

² For greater certainty, "measures of a Contracting Party" covers measures by entities listed under sub-paragraphs (9) (i) and (9) (ii), which are adopted or maintained by instructing, directing or controlling, either directly or indirectly, the conduct of other entities with regard to those measures.

18. **"Respondent"** means the Contracting Party that is a party to proceedings under Section D (Investor-State Dispute Settlement) of this Agreement;
19. **"Tribunal"** means an arbitration tribunal established under Section D (Investor-State Dispute Settlement) of this Agreement.

ARTICLE 2

Scope and application

1. This Agreement shall apply to measures adopted or maintained by a Contracting Party affecting:
 - (a) Covered investments; and
 - (b) Investors of a Contracting Party in respect of a covered investment.

For greater certainty, this Agreement provides only post-establishment protection and does not cover the pre-establishment phase or matters of market access.

2. This Agreement applies to investments that are made and maintained in accordance with the Host State laws and regulations, whether investments were made before or after entry into force of this Agreement, but shall not apply to any dispute concerning an investment which arose or has been settled before the entry into force of this Agreement.

For greater certainty, "investment" shall not include:

- Goodwill or market share;
 - Futures, swaps, options, and other derivatives traded over the counter market;
 - Assets used for non-business purposes;
3. The Contracting Parties reaffirm the right to regulate within their territories to achieve legitimate policy objectives, such as the protection of public health, social services, public education, safety, the environment including climate change, public morals, social or consumer protection, privacy and data protection, or the promotion and protection of cultural diversity. For greater certainty, the provisions of this Agreement shall not be interpreted as a commitment from a Contracting Party that it will not change the legal and regulatory framework, including in a manner that may negatively affect the operation of covered investments or the investor's expectations of profits.
 4. For greater certainty, a Contracting Party's decision not to issue, renew or maintain a subsidy
 - (a) in the absence of any specific commitment under law or contract to issue, renew, or maintain that subsidy; or
 - (b) in accordance with any terms or conditions attached to the issuance, renewal or maintenance of the subsidy,

shall not constitute a breach of the provisions of this Agreement.

Nothing in this Agreement shall be construed as preventing a Contracting Party from discontinuing the granting of a subsidy or requesting its reimbursement, where such action has been ordered by one of its competent authorities, or as requiring that Contracting Party to compensate the investor therefor.

5. Subject to the requirement that such measures are not applied in a manner that would constitute arbitrary or unjustifiable discrimination between investments or between investors, or a disguised restriction on international investment, Article 6 (Non-discriminatory treatment) and Article 9 (Transfers) shall not be construed to prevent a Contracting Party from adopting or enforcing measures necessary:

- a) to protect public security or public morals or to maintain public order³;
 - b) to protect human, animal or plant life or health⁴;
 - c) to ensure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement including those relating to:
 - (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;
 - (ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
 - (iii) safety; or
 - d) For the conservation of living or non-living exhaustible natural resources.
6. Nothing in this Agreement shall prevent a Contracting Party from adopting or maintaining measures for prudential reasons, such as:
- a) The protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier;
 - b) Ensuring the integrity and stability of a Contracting Party's financial system.
- Where such measures do not conform with this Agreement they shall not be used as a means of avoiding the Party's obligations under this Agreement.
- Nothing in this Agreement shall be construed to require a Contracting Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.
7. Nothing in this Agreement shall apply to activities conducted by the central bank of each Contracting Party, or in case of the Republic of Bulgaria in the future also by the European Central Bank, in pursuit of monetary or exchange rate policies without violating the Articles of Agreement of the International Monetary Fund with respect to the movement of capital. This paragraph shall not affect Contracting Party's obligations under Article 9 (Transfers) of this Agreement.
8. A breach of an investment contract does not mean a breach of this Agreement since such contract is governed by its own terms and conditions.

ARTICLE 3

Regional Economic Integration Organisation Clause

Nothing in this Agreement shall prevent a Contracting Party from exercising its rights and fulfilling its obligations deriving from their membership in any existing or future economic integration agreement, such as free trade area, customs union, common market economic and monetary union, including the European Union, or as to oblige a Contracting Party to extend to the investors of the other Contracting Party and to their covered investments, the benefits of any treatment, preference or privilege by virtue of its membership or participation in such economic integration agreement.

³ The public security and public order exceptions may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

⁴ The Contracting Parties understand that the measures referred to in subparagraph (b) include environmental measures necessary to protect human, animal or plant life or health.

ARTICLE 4
Natural Resources

The rights and the obligations concerning the natural resources shall be subject to domestic laws and regulations of the Host State, for avoidance of doubt natural resources are not covered by this Agreement.

SECTION B
PROMOTION AND PROTECTION OF INVESTMENTS

ARTICLE 5
Treatment of Investors and of Covered Investments

1. Each Contracting Party shall accord in its territory to covered investments and to investors of the other Contracting Party with respect to their covered investments fair and equitable treatment and full protection and security in accordance with paragraphs 2 through 5.
2. A Contracting Party breaches the obligation of fair and equitable treatment referenced in paragraph 1 through measures or series of measures that constitute:
 - (a) Denial of justice in criminal, civil or administrative proceedings; or
 - (b) Fundamental breach of due process, including a fundamental breach of transparency, in judicial and administrative proceedings; or
 - (c) Manifest arbitrariness; or
 - (d) Targeted discrimination on manifestly wrongful grounds, such as gender, race, sexual orientation or religious belief; or
 - (e) Abusive treatment of investors, such as coercion, duress or harassment.
3. When determining a breach of paragraph 2, a Tribunal may take into account whether a Contracting Party made a specific representation to an investor to induce an investment that created a legitimate expectation, upon which the investor relied in deciding to make or maintain the investment, but that the Contracting Party subsequently frustrated.
4. For greater certainty, "full protection and security" refers to the Contracting Party's obligations relating to the physical security of investors and covered investments.
5. For greater certainty, a breach of another provision of this Agreement, or of any other international agreement, does not constitute a breach of this Article.
6. For greater certainty, the fact that a measure breaches domestic law does not, in and of itself, establish a breach of this Article. In order to ascertain whether the measure breaches this Article, the Tribunal must consider whether a Contracting Party has acted inconsistently with the obligations in paragraph 1.

ARTICLE 6
Non-discriminatory Treatment

1. Each Contracting Party shall accord to investors of the other Contracting Party and to covered investments treatment no less favourable than that it accords, in like situations, to its own investors and to their investments, with respect to operation in its territory.
2. Each Contracting Party shall accord to investors of the other Contracting Party and to covered investments treatment no less favourable than that it accords, in like situations,

to investors of a third country and to their investments, with respect to operation in its territory.

3. Paragraph 2 shall not be construed as obliging a Contracting Party to extend to investors of the other Contracting Party or to covered investment the benefit of any treatment resulting from:
 - (a) its membership or participation in any existing or future economic integration agreement, such as free trade area, customs union, common market, economic and monetary union, including the European Union; or
 - (b) an international agreement for the avoidance of double taxation or other international agreement or arrangement relating wholly or mainly to taxation; or
 - (c) measures providing for recognition, including of the standards or criteria for the authorisation, licencing, or certification of a natural person or enterprise to carry out an economic activity, or of prudential measures.
4. For greater certainty, paragraph 2 of this Article shall not apply to any dispute settlement mechanism provided for in other international investment treaties. Treatment or dispute settlement mechanism provided under this Agreement shall be governed exclusively by this Agreement.
5. For greater certainty, substantive provisions in other international agreements concluded by a Contracting Party with a third country do not in themselves constitute the "treatment" referred to in paragraph 2. Measures of a Contracting Party pursuant to those provisions⁵ may constitute such treatment and thus give rise to a breach of this Article.
6. Notwithstanding paragraph 1 and 2 of this Article, a Contracting Party may require an investor of the other Contracting Party or its investment to provide information concerning that investment solely for informational or statistical purposes. The Contracting Party shall protect any confidential business information from any disclosure that would prejudice the competitive position of the investor or the investment.
7. The provisions of paragraphs 1 and 2 of this Article shall not apply to:
 - a) Government procurement; and
 - b) Subsidies or grants provided by a Contracting Party, including government-supported loans, guarantees and insurance.

ARTICLE 7

Compensation for Losses

1. Investors of a Contracting Party whose covered investments suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the other Contracting Party shall be accorded by that Contracting Party, with respect to restitution, indemnification, compensation or other form of settlement, treatment no less favourable than that accorded by that Contracting Party to its own investors or to the investors of any non-Contracting Party, whichever is more favourable to the investor.

⁵ For greater certainty, the mere transposition of those provisions into domestic law, to the extent that it is necessary in order to incorporate them into the domestic legal order, does not in itself qualify as a measure.

2. Without prejudice to paragraph 1 of this Article, investors of a Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party, shall be accorded prompt, adequate and effective restitution or compensation by the other Contracting Party, if these losses result from:
 - a) Requisitioning of their covered investment or a part thereof by the latter's armed forces or authorities; or
 - b) Destruction of their covered investment or a part thereof by the latter's armed forces or authorities, which was not required by the necessity of the situation.

The amount of such compensation shall be determined in accordance with the provisions of paragraphs 3 and 4 of Article 8 (Expropriation).

ARTICLE 8 **Expropriation**

1. Neither Contracting Party may nationalize or expropriate a covered investment of an investor of the other Contracting Party, either directly, or indirectly through measures having an effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation"), except:
 - a) In the public purpose;
 - b) In a non-discriminatory manner;
 - c) Under due process of law; and
 - d) Against payment of prompt, adequate and effective compensation.

For greater certainty, this paragraph shall be interpreted in accordance with Annex I (Expropriation).

2. Compensation referred to in paragraph 1 shall be deemed to be prompt if effected within such period as is normally required for the completion of transfer formalities. The period shall commence on the day stated in the decision on compensation and may not exceed 30 days.
3. The compensation referred to in paragraph 1 shall amount to the fair market value of the investment at the time immediately before the expropriation or the impending expropriation became publicly known or when the expropriation took place, whichever is earlier. Valuation criteria shall include going concern value, asset value including the declared tax value of tangible property, and other criteria, as appropriate.
4. In case the payment of compensation is delayed, the Host State shall pay to the investor interest on late payment in the amount of EURIBOR rate valid at the first day of delay. Interest on late payment shall be calculated from the first day of delay until the full payment of compensation. For avoidance of any doubt, in case of delay of the compensation, only interest on late payment applies and in no circumstances is the claimant entitled to any other interest.
5. Compensation shall be paid in a freely convertible currency.
It shall be freely transferable in accordance with Article 9 (Transfers).
6. This Article does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights, to the extent that such issuance is consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreements ("TRIPS Agreement").

7. An investor of a Contracting Party affected by 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 9

Transfers

1. Each Contracting Party shall permit all transfers relating to a covered investment to be made in a freely convertible currency, without restriction or delay and at the market rate of exchange prevailing on the date of transfer with regard to the currency to be transferred. Such transfers include:
 - (a) contributions to capital to maintain, develop or increase the investment;
 - (b) profits, dividends, capital gains, interest, royalty payments, management fees, technical assistance and other fees or returns derived from the covered investment;
 - (c) proceeds from the sale of all or any part of the investment or from the partial or complete liquidation of the investment;
 - (d) payments made under a contract entered into by the investor, or its covered investment, including payments made pursuant to a loan agreement;
 - (e) earnings and other remuneration of personnel engaged from abroad and working in connection with an investment;
 - (f) payments made pursuant to Articles 7 (Compensation for Losses) and 8 (Expropriation);
 - (g) payments of damages pursuant to an award issued by a Tribunal under Section D of this Agreement.
2. Neither Contracting Party may require its investors to transfer, or penalise its investors for failing to transfer, the income, earnings, profits or other amounts derived from, or attributable to, their covered investments in the territory of the other Contracting Party.
3. In the absence of a market for foreign exchange, the rate to be used shall be the exchange rate for the conversions of currencies into Special Drawing Rights valid one day before the date of the transfer.
4. In case of a delay in transfer caused by the Host State, the transfer shall also include interest at a EURIBOR rate established on a market basis for the currency in question from the date on which the transfer was requested until the date of the actual transfer and shall be borne by the Host State.
5. Notwithstanding the paragraphs 1 to 4 of this Article, nothing in this Article shall be construed to prevent a Contracting Party from applying in an equitable and non-discriminatory manner and not in a way that would constitute a disguised restriction on transfers, its laws and regulations relating to:
 - a) Bankruptcy, insolvency, bank recovery and resolution, or the protection of the rights of creditors;
 - (b) Issuing, trading, or dealing in financial instruments;
 - (c) Financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities or any other financial obligations in respect of an investment arising under domestic laws and regulations of the Host State;

- (d) Criminal or penal offenses, deceptive or fraudulent practices;
 - (e) Ensuring compliance with orders or judgments in judicial or administrative proceedings;
 - (f) Social security, public retirement or compulsory savings schemes.
6. Measures referred to in paragraph 5 of this Article shall be consistent with the Articles of Agreement of the International Monetary Fund, as applicable.

ARTICLE 10 Denial of Benefits

1. The benefits of this Agreement may be denied to:
 - a) An investor who structures or acquires its investment, for instance through intermediary entities, or who acquires or uses a nationality of one of the Contracting Parties with the sole purpose of benefiting from this Agreement, including submission of a claim pursuant to Section D of this Agreement;
 - b) An investor who owned or controlled the investment at the time when the alleged breach of this Agreement occurred, but who does not own or control such investment at the time of submission of the claim pursuant to Section D of this Agreement.
2. The benefits of this Agreement shall be denied to an investor of a Contracting Party and to covered investments of that investor if persons of a non-Party own or control such investor and the other Contracting Party does not maintain diplomatic relations with the non-Party.
3. Without prejudice to the paragraphs 1 to 3 of this Article, the denial of benefits by the Host State shall be notified to the investor without undue delay.

ARTICLE 11 Taxation and Taxation Measures

1. Nothing in this Agreement shall affect the rights and obligations of either Contracting Party under any tax convention. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention shall prevail to the extent of the inconsistency.
2. Article 6 [Non-Discriminatory Treatment] and Article 9 [Transfers] shall not apply to an advantage accorded by a Contracting Party pursuant to a tax convention.
3. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on trade and investment, nothing in this Agreement shall be construed to prevent the adoption, maintenance or enforcement by a Contracting Party of any measure aimed at ensuring the equitable or effective imposition or collection of direct taxes that:
 - (a) distinguishes between taxpayers, who are not in the same situation, in particular with regard to their place of residence or with regard to the place where their capital is invested; or
 - (b) aims at preventing the avoidance or evasion of taxes pursuant to the provisions of any tax convention or domestic fiscal legislation.
4. For the purpose of this Article:

- (a) "residence" means residence for tax purposes;
 - (b) "tax convention" means a convention for the avoidance of double taxation or any other international agreement or arrangement relating wholly or mainly to taxation that either Contracting Party to this Agreement is party to.
5. Except as provided in this Article, nothing in this Agreement shall impose obligations on Contracting Parties with respect to the taxation measures.
 6. Article 8 (Expropriation) of this Agreement shall apply to all taxation measures, except that a claimant that asserts that a taxation measure involves expropriation, such as excessive taxation, may submit a claim to arbitration under Section D of this Agreement only if:
 - a) The claimant has first referred to the competent tax authorities of both Contracting Parties in writing the issue of whether that taxation measure involves expropriation; and
 - b) Within 180 days after the date of such referral, the competent tax authorities of both Contracting Parties fail to agree that the taxation measure is not an expropriation.
 7. For the purposes of this Article, the "competent tax authorities" means:
 - a) For the Republic of Bulgaria, the Ministry of Finance of the Republic of Bulgaria; and
 - b) For the, Ministry of Finance of the

ARTICLE 12 Subrogation

If a Home State, or an agency thereof, makes a payment under an indemnity, guarantee or contract of insurance it has entered into in respect of a covered investment:

- (a) The Host State shall recognize that the Home State or its agency shall be entitled in all circumstances to the same rights under this Agreement as those of the investor in respect of the covered investment, but for the subrogation. Such rights may be exercised by the Home State or an agency thereof, or by the investor if the Home State or an agency thereof so authorizes.
- (b) The investor may not pursue these rights to the extent of the subrogation.

ARTICLE 13 Security Exceptions

Nothing in this Agreement shall be construed:

- (a) To require a Contracting Party to furnish or allow access to any information the disclosure of which it considers contrary to its essential security interests;
- (b) To prevent a Contracting Party from taking an action which it considers necessary for the protection of its essential security interests;
 - (i) Connected to the production of or traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods and materials, services and technology, and to economic activities, carried out directly or indirectly for the purpose of supplying a military establishment;
 - (ii) Relating to fissionable and fusionable materials or the materials from which they are derived; or

- (iii) Taken in time of war or other emergency in international relations; or
- (c) To prevent a Contracting Party from taking any action in pursuance of its obligations under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 14
Publication of Information and Transparency

1. Each Contracting Party shall as far as possible publish, or otherwise make publicly available, its laws and regulations of general application, as well as international agreements which may affect investors of the other Contracting Party and their covered investments in its territory, including any measures aimed at protecting the environment and labour conditions or that may be affecting the protection of the environment or labour conditions, thereby ensuring awareness and providing reasonable opportunities for interested persons and stakeholders to submit views.
2. Nothing in this Article shall require a Contracting Party to furnish or allow access to any confidential or proprietary information, including information concerning particular investors or investments, disclosure of which would impede law enforcement or be contrary to domestic laws protecting confidentiality, or would prejudice legitimate commercial interests of particular investors and their covered investments.
3. This article is not subject to the provisions in Section D (Investor-State Dispute Settlement) of this Agreement.

ARTICLE 15
Temporary Safeguard Measures

1. In exceptional circumstances of serious difficulties for the operation of the European Union's economic and monetary union, or threat thereof, the European Union may adopt or maintain safeguard measures with regard to transfers for a period not exceeding six months. The measures referred to in this paragraph shall be limited to the extent that is strictly necessary.
2. Where a Contracting Party experiences serious balance of payments or external financial difficulties, or threat thereof, it may adopt or maintain restrictive measures with regard to transfers. Such measures shall:
 - (a) be consistent with other international obligations of the Contracting Party, and with the Articles of the Agreement of the International Monetary Fund;
 - (b) not exceed those necessary to deal with the difficulties addressed under this paragraph;
 - (c) be temporary and phased out progressively;
 - (d) avoid unnecessary damage to the commercial, economic and financial interests of the other Contracting Party;
 - (e) be non-discriminatory compared to third countries in like situations.

A Contracting Party maintaining or having adopted measures referred to in this paragraph shall promptly notify them to the other Contracting Party.

SECTION C
SUSTAINABLE DEVELOPMENT

ARTICLE 16
Investment and Environment

1. The Contracting Parties recognise the right of each Contracting Party to determine its sustainable development policies and priorities, to establish the levels of domestic environmental protection it deems appropriate, and to adopt or modify its environmental laws and policies. Such levels, laws and policies shall be consistent with each Contracting Party's commitments to internationally recognised standards and agreements on environmental protection.
2. A Contracting Party shall not weaken or reduce the levels of protection afforded in its environmental laws in order to encourage investment.
3. A Contracting Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from such legislation in order to encourage investment in its territory.
4. Each Contracting Party shall effectively implement the multilateral environmental agreements (MEAs), protocols and amendments that it has ratified. The Contracting Parties affirm their commitment to promote the development of investment in a way that is conducive to a high level of environmental protection.

ARTICLE 17
Investment and Climate Change

1. The Contracting Parties recognise the importance of taking urgent action to combat climate change and its impacts, and the role of investment in pursuing this objective, consistent with the United Nations Framework Convention on Climate Change (UNFCCC), the purpose and goals of the Paris Agreement adopted by the Conference of the Parties to the UNFCCC at its 21st session (the Paris Agreement), and with other MEAs and multilateral instruments in the area of climate change.
2. Each Contracting Party shall:
 - a. effectively implement the UNFCCC and the Paris Agreement adopted thereunder, including its commitments with regard to its Nationally Determined Contributions;
 - b. promote investment of relevance for climate change mitigation and adaptation; including investment concerning climate friendly goods and services, such as renewable energy, low-carbon technologies and energy efficient products and services, and by adopting policy frameworks conducive to deployment of climate-friendly technologies;
3. The Contracting Parties shall work together to strengthen their cooperation on investment-related aspects of climate change policies and measures bilaterally, regionally and in international fora, as appropriate.

ARTICLE 18
Corporate Social Responsibility and Responsible Business Conduct

1. The Contracting Parties recognise the importance of investors implementing due diligence in order to identify and address adverse impacts, such as on the environment and labour conditions, in their operations, their supply chains and other business relationships. The Contracting Parties shall promote the uptake by enterprises and investors of corporate social responsibility or responsible business practices with a view to contributing to sustainable development and responsible investment.
2. The Contracting Parties shall support the dissemination and use of relevant internationally agreed instruments that have been endorsed or are supported by the Contracting Parties, such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises and related due diligence guidance.
3. The Contracting Parties agree to exchange information as well as best practices on issues covered by this article, including on possible ways to facilitate the uptake by enterprises and investors of corporate social responsibility, responsible practices.

ARTICLE 19 **Investment and Labour**

1. The Contracting Parties recognise the right of each Contracting Party to determine its sustainable development policies and priorities, to establish the levels of domestic labour protection it deems appropriate, and to adopt or modify its labour laws and policies. Such levels, laws and policies shall be consistent with each Contracting Party's commitments to internationally recognised labour standards and agreements.
2. The Contracting Parties shall not weaken or reduce the levels of protection afforded in its labour legislation in order to encourage investment.
3. A Contracting Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such legislation in order to encourage investment in its territory.
4. In accordance with the ILO Constitution and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, as amended in 2022, each Contracting Party shall respect, promote and effectively implement throughout its territory the internationally recognised core labour standards as defined in the fundamental ILO Conventions.
5. Each Contracting Party shall effectively implement the ILO Conventions it has ratified [and to make sustained efforts towards ratifying, to the extent that it has not yet done so, the fundamental ILO Conventions].
6. Each Contracting Party is committed to promote investment policies which further the objectives of the Decent Work Agenda, in accordance with the 2008 ILO Declaration on Social Justice for a Fair Globalisation and the 2019 ILO Centenary Declaration for the Future of Work, including a human-centred approach to the future of work, adequate minimum wages, social protection and safety and health at work.

ARTICLE 20 **Dialogue and Cooperation on Investment-related Sustainable Development Issues**

The Contracting Parties agree to engage in dialogue and cooperate as appropriate on investment-related labour, environmental and climate change issues of mutual interest arising under this Section in a manner complementary to the efforts under existing bilateral and multilateral mechanisms.

**SECTION D
INVESTOR-STATE DISPUTE SETTLEMENT**

**ARTICLE 21
Consultations**

1. In the event of a dispute, the Claimant and the Respondent should initially seek to resolve the dispute through consultation and negotiation which may include the use of non-binding, third-party procedures, such as conciliation under the ICSID Convention.
2. Disputing parties may settle amicably their disputes at any stage of the proceedings under this Section D (Investor-state dispute settlement), including when an arbitration has already commenced.
3. With a view of settling the claim derived from its investment, the investor shall deliver to the Host State a written request for consultations at least 6 months before the claim is submitted.
4. A request for consultations must contain:
 - a) The following information:
 - i. the name and address of the Claimant;
 - ii. the shareholder structure of the Claimant, identification of the ultimate beneficial owner of the investment in question and identification of any person or organization that has provided or agreed to provide any financial or other assistance to the investor in connection with the claim, or has an interest in the outcome of the claim;
 - iii. the provisions of this Agreement alleged to have been breached;
 - iv. the legal and the factual basis for the claim, including the measures or treatment at issue; and
 - v. the relief sought and the estimated amount of damages claimed;
 - b) Evidence establishing that the Claimant is an investor of the Home State pursuant to paragraph 3 of Article 1 of this Agreement which made an investment pursuant to paragraph 2 of Article 1 of this Agreement.
5. The investor shall notify the Host State of any changes of the information pursuant to paragraph 4 of this Article at the latest on the date of the submission of the claim.
6. Unless the disputing parties agree otherwise, the place of consultations shall be:
 - a) Sofia, where the consultations concern treatment afforded or measures adopted by the Republic of Bulgaria; or
 - b), where the consultations concern treatment afforded or measures adopted by the
7. The Claimant may not submit a request for consultations and submission of a claim to arbitration if the dispute or claim relating to the measure underlying the claim under this Agreement was resolved via other legal remedies or by another international tribunal.
8. A request for consultations must be submitted no later than 4 years after the date when the alleged breach of this Agreement occurred. If the Claimant fails to submit a request for consultations within this period, the Claimant shall be deemed to have waived its

rights to bring a claim and may not submit a claim to arbitration under Article 23 of this Agreement.

ARTICLE 22
Consent of Each Contracting Party to Arbitration

1. In case that the disputing parties are not able to reach an amicable settlement within the 6 months stipulated by Article 21 of this Agreement, each Contracting Party consents to the submission of a claim of breach of the obligations under Section B of this Agreement to arbitration in accordance with this Section D of this Agreement. A failure to meet the preconditions set out in Articles 21 and 23 of this Agreement nullifies this consent.
2. The consent under paragraph 1 of this Article and the submission of a claim to arbitration under Article 23 of this Agreement shall satisfy the requirements of Chapter II of the ICSID Convention (Jurisdiction of the Centre) and the ICSID Additional Facility Rules for written consent of the parties to the dispute.

ARTICLE 23
Submission of a Claim to Arbitration or to the Competent Court

1. Subject to the provisions of this Article and Article 22 (Consent of Each Contracting Party to Arbitration) of this Agreement, the Claimant may submit a claim under this Agreement:
 - a) In case of the as a Host State, to the competent courts of the (for avoidance of any doubt, in case of the Republic of Bulgaria as a Host State, an investor of the or its investment may have recourse to other local remedies before the courts of the Republic of Bulgaria available for alleged breaches of its domestic law); or
 - b) In case of the or the Republic of Bulgaria as a Host State, to arbitration under the ICSID Convention and the ICSID Rules of Procedure for Arbitration Proceedings, as amended from time to time, provided that both the Host State and the Home State are parties to the ICSID Convention; or
 - c) In case of the or the Republic of Bulgaria as a Host State, to arbitration under the ICSID Additional Facility Rules, as amended from time to time, provided that either the Host State or the Home State is a party to the ICSID Convention; or
 - d) In case of the or the Republic of Bulgaria as a Host State to arbitration under the UNCITRAL Arbitration Rules, as amended; or
 - e) If the Claimant and the Host State agree, to any other arbitration institution or under any other arbitration rules.
2. An investor may not submit a claim under this Section D where the investor has violated the Home State`s law or the Host State`s law in connection with the alleged investment, or when the investment has violated the Host State`s law. In such a case the Tribunal shall dismiss the claim. Such violation must be sufficiently serious in order to deny access to investor-to-state dispute resolution under this Agreement. For avoidance of any doubt, the following violations shall always be considered sufficiently serious to require dismissal of the claim:
 - a) Fraud; or
 - b) Investment has been made through an abuse of process under the Host State's laws and regulations.

3. Without prejudice to the paragraph 7 of Article 2 of this Agreement, the Respondent may present an incidental or additional claim or counter-claim arising out of the investment.
4. An enterprise that is an investment in the Host State cannot bring a claim under this Section D on behalf of the investor.
5. A Tribunal shall dismiss a claim by a Claimant who has submitted a claim to a Tribunal or to any domestic or international court or tribunal concerning the same treatment as that alleged to breach the provisions of this Agreement, unless the Claimant withdraws such pending claim.

The Claimant may submit the claim if, cumulatively:

- a) The Claimant gives express and written consent to pursue its claim in arbitration under this Article;
- b) The Claimant submitted a request for consultations pursuant to Article 21 of this Agreement;
- c) The Claimant and the Claimant's investment have withdrawn any other pending legal remedies; or any pending investment arbitration proceedings in which the Claimant or the Claimant's investment has brought a claim relating to the measure underlying the claim under this Agreement; and
- d) The Claimant and the Claimant's investment have provided a waiver of their rights to initiate any other legal remedies or any investment arbitration proceedings relating to the measure underlying the claim under this Agreement.

Together with the submission of a claim the Claimant shall provide:

- (a) evidence that it has withdrawn any pending proceedings before any domestic or international court or tribunal under domestic or international law concerning the same treatment as that alleged to breach the provisions of this Agreement; and
- (b) a declaration that it will not initiate any proceeding before any domestic or international court or tribunal under domestic or international law concerning the same treatment as that alleged to breach the provisions of this Agreement.

Subparagraphs c) and d) of this paragraph do not apply for injunctive, declaratory or other non-pecuniary remedy provided that the action is brought for the sole purpose of preserving the Claimant's or Claimant's investment's rights and interests during the pendency of the arbitration.

6. The claim to arbitration must be submitted within 15 months after the submission of the request for consultation. If the Claimant fails to submit the claim within this period the Claimant shall be deemed to have waived its rights to bring a claim and may not submit a claim to arbitration under this Article. This period may be extended by mutual agreement between the Claimant and the Contracting Party concerned.
7. If, following the submission of a claim to arbitration under this Article, the investor fails to take any steps in the proceeding during 6 consecutive months, and subject to both disputing parties agreeing otherwise, the investor shall be deemed to have withdrawn its claim and to have discontinued the proceedings. Thereupon, the claim of the investor shall be deemed not to have been filed under this Section D and the authority of any Tribunal established to hear that claim to have lapsed.
8. The applicable arbitration rules shall govern the arbitration except to the extent modified by this Section D, and supplemented by any rules adopted by the Contracting Parties.

9. All claims identified by the Claimant in the submission of its claim to arbitration pursuant to this Article must be based on the measures identified in its request for consultations pursuant to Article 21 (Consultations) of this Agreement.
10. The Claimant shall provide with the submission of the claim the evidence that the conditions under paragraph 5 of this Article have been fulfilled.
11. Delivery of any notice and other documents under this Section D on a Contracting Party shall be made to the place named for that Contracting Party below:
 - a) For the to the Ministry of Finance of the
 - b) For the Republic of Bulgaria to the Ministry of Finance of the Republic of Bulgaria.

ARTICLE 24 **Applicable Law and Rules of Interpretation**

1. The Tribunal shall apply this Agreement as interpreted in accordance with the Vienna Convention on the Law of Treaties, and other rules and principles of international law applicable between the Contracting Parties. For greater certainty, the domestic law of the Contracting Parties shall not constitute part of the applicable law. In case of the Republic of Bulgaria, "domestic law" includes the law of the European Union.
2. The Tribunal shall not have jurisdiction to determine the legality of a measure, alleged to constitute a breach of this Agreement, under the domestic law of a Contracting Party. For greater certainty, in determining consistency of a measure with this Agreement, the Tribunal may consider, as appropriate, domestic law of a Contracting Party as a matter of fact. In doing so, the Tribunal shall follow the prevailing interpretation given to domestic law by the courts or authorities of that Contracting Party and any meaning given to domestic law by the Tribunal shall not be binding upon the courts or the authorities of that Contracting Party.
3. A joint interpretation of the Contracting Parties, exchanged through diplomatic channels, interpreting a provision of this Agreement shall be binding on the Tribunal, and any decision or award issued by the Tribunal must be consistent with that interpretation.

ARTICLE 25 **Selection of Arbitrators**

1. In case of submission of a claim under paragraph 1, subparagraphs b), c), d), and e) of Article 23 (Submission of a Claim to Arbitration or to the Competent Court) of this Agreement, the Tribunal shall be constituted as soon as possible after the submission of the claim.
2. In case of submission of a claim under paragraph 1, subparagraph b) of Article 23 (Submission of a Claim to Arbitration or to the Competent Court) of this Agreement, the constitution of the Tribunal shall be governed by the ICSID Convention. In case of submission of a claim under paragraph 1, subparagraph c) of Article 23 (Submission of a Claim to Arbitration or to the Competent Court) of this Agreement, the constitution of the Tribunal shall be governed by the ICSID Additional Facility Rules.
3. Unless the disputing parties agree otherwise, the Tribunal shall be comprised of three arbitrators: one arbitrator appointed by the Claimant, second arbitrator by the Host State and the third arbitrator, who shall be the presiding arbitrator, shall be a national of a third country appointed by mutual agreement of the Claimant and the Host State.

4. The Claimant shall provide with the submission of a claim the name of the arbitrator that the Claimant appoints.
5. In the event that the Claimant chooses arbitration pursuant to the ICSID Convention or the ICSID Additional Facility Rules in accordance with paragraph 2, subparagraphs b) and c) of Article 23 of this Agreement, the Secretary-General of ICSID shall serve as appointing authority for arbitrations under this Section D. In the event that the Claimant chooses arbitration pursuant to the UNCITRAL Arbitration Rules in accordance with paragraph 2, subparagraph d) of Article 23 of this Agreement, the Secretary-General of the Permanent Court of Arbitration shall serve as appointing authority for arbitrations under this Section D.
6. If a Tribunal has not been constituted within ninety (90) days from the date that a claim is submitted to arbitration under this Section D, the appointing authority, on the request of the Claimant or the Host State, shall appoint, in his or her discretion, the arbitrator or arbitrators not yet appointed. The Claimant and the Host State do not lose their right to appoint arbitrators according to paragraph 3 of this Article until the appointing authority does so.
7. Arbitrators appointed pursuant to this Section D shall have expertise or experience in public international law, in particular international investment law. It is desirable that they have expertise or experience in resolution of disputes arising under international investment agreements.
8. Arbitrators shall be independent of, and not be affiliated with or take instructions from a disputing party or the government of a Contracting Party with regard to trade and investment matters. Arbitrators shall not take instructions from any organisation, government or disputing party with regard to matters related to the dispute. They shall not participate in the consideration of any disputes that would create a direct or indirect conflict of interest. In so doing, they shall comply with Annex III (Code of Conduct). In addition, upon appointment, they shall refrain from acting as counsel or as party-appointed expert or witness in any pending or new investment protection dispute under this or any other agreement or domestic law.
9. Where a disputing party considers that an arbitrator does not comply with the requirements of paragraphs 7 and 8 of this Article, that disputing party shall send a notice of challenge to the appointing authority, and inform the other disputing party, within fifteen (15) days from the time it became aware of the circumstances underlying the arbitrator's non-compliance. The notice of challenge shall state the grounds for the challenge. After receiving such a notice, the appointing authority shall, after hearing the disputing parties and after providing the arbitrator subject to the notice of challenge an opportunity to submit any observations, issue a decision within forty five (45) days of receipt of the notice of challenge and notify the disputing parties and the other arbitrators. If the appointing authority decides that an arbitrator has not complied with the requirements of paragraphs 7 and 8 of this Article, such arbitrator shall resign from the Tribunal and a new arbitrator shall be appointed by the disputing party that had appointed the resigning arbitrator. If the new arbitrator has not been appointed within thirty (30) days of the date of the appointing authority's decision, the appointing authority, on the request of the either disputing party, shall appoint, in his or her discretion, the new arbitrator. The arbitration proceedings shall be suspended for the period taken to carry out the procedure provided for in this paragraph.

ARTICLE 26
Place of Arbitration

The disputing parties may agree on the legal place of any arbitration under the arbitral rules applicable under paragraph 1 subparagraphs d) and e) of Article 23 (Submission of a Claim to Arbitration or to the Competent Court). If the disputing parties fail to reach agreement, the Tribunal shall determine the place which shall be in the territory of a state that is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards provided both Contracting Parties are signatories of this Convention.

ARTICLE 27

Preliminary Objections

1. Any objection that the dispute or any ancillary claim is not within the jurisdiction or competence of the Tribunal shall be made as early as possible. A disputing party shall file the objection with the Tribunal before expiration of the time limit fixed for the filing of the counter-memorial, or, if the objection relates to an ancillary claim, for the filing of the rejoinder, unless the facts on which the objection is based are unknown to the disputing party at that time.
2. The Tribunal may on its own initiative consider, at any stage of the proceeding, whether the dispute or any ancillary claim before it is within its jurisdiction and its own competence.
3. Upon the formal raising of an objection relating to the dispute, the Tribunal shall decide to suspend the proceeding on the merits. The presiding arbitrator of the Tribunal, after consultation with its other members, shall fix a time limit within which the disputing parties may file observations on the objection.
4. Unless the disputing parties have agreed to another expedited procedure for making preliminary objections, a party may, no later than 30 days after constitution of the Tribunal, and in any event before the first session of the Tribunal, file an objection that a claim is manifestly without legal merit. The disputing party shall specify as precisely as possible the basis for the objection. The Tribunal, after giving the disputing parties the opportunity to present their observations on the objection, shall, at its first session or promptly thereafter, issue a decision or award on the objection and notify the disputing parties of its decision on the objection. In the event that the objection is received after the first session of the Tribunal, the Tribunal shall issue such decision as soon as possible, and no later than 120 days after the objection was filed. In doing so, the Tribunal shall assume the alleged facts to be true, and may also consider any relevant facts not in dispute. The decision of the Tribunal shall be without prejudice to the right of a disputing party to file an objection pursuant to paragraph 1 of this Article or to object, in the course of the proceeding, that a claim lacks legal merit.
5. For avoidance of any doubt the Tribunal shall dismiss the Claimant's claim upon an objection under this Article submitted by the Host State in the following cases:
 - a) The Claimant has challenged in its claim a measure of a Host State which has not yet been adopted;
 - b) The Claimant has challenged the legislative procedure of a measure of Host State;
 - c) The claim of a Claimant relating to the measure underlying the claim under this Agreement has been already resolved via other legal remedies;
 - d) The Claimant has failed to fulfill the condition pursuant to paragraph 5, subparagraph c) and d) of Article 23.
6. If the Tribunal decides that the dispute is not within its jurisdiction or its own competence, or that all claims are manifestly without legal merit, it shall render an award to that effect, and dismiss the claim.

ARTICLE 28
Claims Unfounded as a Matter of Law

Without prejudice to the Tribunal's authority to address other objections as a preliminary question or to the right of a Respondent to raise any such objections at any appropriate time, the Tribunal shall address and decide as a preliminary question any objection by the Respondent that, as a matter of law, a claim, or any part thereof, is not a claim for which an award in favour of the investor may be made, even if the facts alleged were assumed to be true. The Tribunal may also consider any relevant facts not in dispute. Such an objection shall be submitted to the Tribunal as early as possible, and in any event not later than the expiration of the time limit fixed for the filing of the counter-memorial or statement of defence, unless the facts on which the objection is based are unknown to the party at that time. On receipt of an objection under this paragraph, and unless it considers the objection manifestly unfounded, the Tribunal shall suspend any proceedings on the merits, establish a schedule for considering the objection consistent with any schedule it has established for considering any other preliminary question, and issue a decision on the objection, stating the grounds therefor.

ARTICLE 29
Awards

1. An award rendered by the Tribunal shall be binding only between the disputing parties in respect of the particular case.
2. In case of submission of a claim under paragraph 1, subparagraphs b) and c) of Article 23 of this Agreement, any award shall be rendered under Articles 48 to 55 of the ICSID Convention.
3. Any award of damages shall be determined in accordance with the internationally recognized principles of valuation, taking into account all other necessary aspects, such as an equitable balance between the public interest and the interest of those affected, the purpose of the measure, the history of investment acquisition, the amount of capital invested, depreciation, duration as a going concern of the undertaking, profit and loss forecasts, reflections of any conduct by an investor that does not seek to mitigate damages.
4. No punitive or moral damages may be awarded by the Tribunal.
5. Where a Tribunal renders a final award against the Respondent or against the Claimant in light of a defence, counterclaim, right of set off or other similar claim pursuant to Section D of this Agreement, the Tribunal may award, separately or in combination, only:
 - a) Monetary damages or, if possible restitution of property; and
 - b) Any costs of the arbitration proceedings and attorneys' fees in accordance with this Agreement and the applicable arbitration rules.
6. In case of an award concerning expropriation or nationalization, any delay of compensation shall be subject to interest as per paragraph 4 of Article 8 (Expropriation) of this Agreement.
7. The Tribunal shall order that the costs of the arbitration be borne by the unsuccessful disputing party. In exceptional circumstances, the Tribunal may apportion costs between the disputing parties if it determines that apportionment is appropriate in the circumstances of the claim. Other reasonable costs, including costs of legal

representation and assistance, shall be borne by the unsuccessful disputing party, unless the Tribunal determines that such apportionment is unreasonable in the circumstances of the case. Where only parts of the claims have been successful, the costs shall be adjusted proportionately.

8. The Tribunal may order security for costs if it considers that there is a reasonable doubt that the Claimant would not be capable of satisfying an adverse award on costs or consider it necessary for other reasons.

ARTICLE 30 Enforcement

1. Subject to any applicable review procedure, each disputing party shall abide by and comply with an award rendered by the Tribunal without delay. A disputing party may seek enforcement of an arbitration award under the ICSID Convention or the New York Convention.
2. A Claimant or a Host State may not seek enforcement of a final award until:
 - a) In the case of a final award made under the ICSID Convention:
 - i. 120 days have elapsed from the date on which the award was rendered and no disputing party has requested revision or annulment of the award; or
 - ii. revision or annulment proceedings have been completed; and
 - b) In the case of a final award under the ICSID Additional Facility Rules, the UNCITRAL Arbitration Rules, or other rules agreed by the Claimant and the Host State,
 - i. 90 days have elapsed from the date the award was rendered and no disputing party has commenced a proceeding to revise, set aside, or annul the award; or
 - ii. a court has dismissed or allowed an application to revise, set aside, or annul the award and there is no further appeal.
3. An award rendered under the ICSID Convention or the ICSID Additional Facility Rules shall be subject to the respective provisions of the ICSID Convention. An award rendered under UNCITRAL Arbitration Rules shall be subject to the respective provisions of the UNCITRAL Arbitration Rules.
4. Execution of the award shall be governed by the laws concerning execution of judgments in force in the state in whose territory such execution is sought.
5. Interest on late payment as provided in an award does not apply during the pendency of an annulment procedure.

ARTICLE 31 Transparency of proceedings

1. The UNCITRAL rules on transparency in treaty-based investor-State arbitration, as adopted by the United Nations Commission on International Trade Law on 11 July 2013 shall apply to international arbitration proceedings initiated pursuant to this Section D of this Agreement.
2. Nothing in this Agreement or the applicable arbitration rules shall prevent the exchange of information between the European Union and the Republic of Bulgaria, or vice versa,

which relates to international arbitration proceedings initiated pursuant to this Section D of this Agreement.

**SECTION E
CONSULTATIONS AND SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING
PARTIES**

**ARTICLE 32
Consultations of Contracting Parties**

1. Either Contracting Party may propose to the other Contracting Party that consultations be held on any matter concerning the interpretation or application of this Agreement. The other Contracting Party shall accord sympathetic consideration to the proposal and shall afford adequate opportunity for such consultations. Such consultations shall be held at a place and at a time agreed upon through diplomatic channels by the Contracting Parties.
2. A joint interpretative declaration adopted as result of consultations by the Contracting Parties shall be binding on a Tribunal established under Section D (Investor-State Dispute Settlement) of this Agreement.

**ARTICLE 33
Settlement of Disputes between the Contracting Parties**

1. Any dispute between the Contracting Parties concerning interpretation or application of this Agreement, that is not resolved through consultations or other diplomatic channels within 180 days shall be submitted on the request of either Contracting Party to arbitration for a binding decision or award by a tribunal in accordance with applicable rules of international law. Unless the Contracting Parties agree otherwise, the tribunal shall determine its own procedure.
2. Unless the Contracting Parties agree otherwise, the tribunal shall comprise three arbitrators, one arbitrator appointed by each Contracting Party and the third, who shall be the presiding arbitrator, appointed by agreement of the Contracting Parties. If the tribunal has not been constituted within 75 days from the date that a dispute is submitted to arbitration under this Section E, a request may be made by either Contracting Party to the President of the International Court of Justice to make the appointments. If the President is a national of either Contracting Party, or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.
3. Expenses incurred by the arbitrators, and other costs of the proceedings, shall be paid for equally by the Contracting Parties. However, the Tribunal may, in its discretion, direct that a higher proportion of the costs be paid by one of the Contracting Parties.

**SECTION F
FINAL PROVISIONS**

**ARTICLE 34
Annexes**

The Annexes to this Agreement shall form an integral part thereof.

**ARTICLE 35
Entry into Force, Duration and Termination**

1. This Agreement is subject to an approval in accordance with procedures required by law of both Contracting Parties and it shall enter into force on the 90th day after the date of the last Contracting Party's notification confirming approval of it.
2. This Agreement may be amended by mutual written consent of the Contracting Parties at any time. The amendments shall enter into force in accordance with the same procedure prescribed under the first paragraph of this Article.
3. This Agreement shall remain in force unless terminated pursuant to paragraph 4 of this Article.
4. Either Contracting Party may notify in writing the other Contracting Party of its intention to terminate this Agreement. The termination shall take effect [12] months after the date of receipt by the other Contracting Party of the notification, unless the Contracting Parties otherwise agree.
5. In the event that the present Agreement is terminated pursuant to paragraph 4 of this Article, its provisions shall continue to be effective for a further period of [5] years from the date of termination, with respect to covered investments made before the date of termination.

[For agreements with third countries that have a status of 'candidate country':]

6. This Agreement shall, in any event, be automatically terminated as a whole and cease its effects on the date [third country] becomes a Member State of the European Union.]
6. Contracting Parties shall pursue the establishment of a permanent multilateral investment tribunal/court and/or appellate mechanism for resolution of international investment disputes.

Upon the establishment of such multilateral mechanism for resolution of international investment disputes, all relevant parts of this Agreement shall cease to apply, and disputes under this Agreement will be decided pursuant to the multilateral mechanism.

IN WITNESS WHEREOF, the undersigned and duly authorised representatives of their respective Governments have signed this Agreement.

Done in duplicate at on this ...day of ... in the Bulgarian, and English languages, all texts being equally authentic. In the event of any conflict of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF BULGARIA

FOR THE GOVERNMENT OF
THE

ANNEX I EXPROPRIATION

The Contracting Parties confirm their shared understanding that:

1. Expropriation may be either direct or indirect:
 - (a) direct expropriation occurs when an investment is nationalised or otherwise directly expropriated through formal transfer of title or outright seizure.
 - (b) indirect expropriation occurs where a measure or series of measures by a Contracting Party has an effect equivalent to direct expropriation, in that it substantially deprives the investor of the fundamental attributes of property in its investment, including the right to use, enjoy and dispose of its investment, without formal transfer of title or outright seizure.
2. The determination of whether a measure or series of measures by a Contracting Party, in a specific situation, constitutes an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors:
 - (a) the economic impact of the measure or series of measures, although the sole fact that a measure or series of measures of a Contracting Party has an adverse effect on the economic value of an investment does not establish that an indirect expropriation has occurred;
 - (b) the duration of the measure or series of measures by a Contracting Party;
 - (c) the character of the measure or series of measures, notably their object and context.
3. For greater certainty, except in the rare circumstance when the impact of a measure or series of measures is so severe in light of its purpose that it appears manifestly excessive, non-discriminatory measures by a Contracting Party that are designed and applied to protect legitimate policy objectives, such as the protection of public health, social services, public education, safety, environment including climate change, public morals, social or consumer protection, privacy and data protection, or the promotion and protection of cultural diversity do not constitute indirect expropriations.

ANNEX II PUBLIC DEBT

1. No claim that a restructuring of debt of a Contracting Party breaches an obligation under this Agreement may be submitted to, or if already submitted, be pursued under Section D (ISDS) if the restructuring is a negotiated restructuring at the time of submission, or becomes a negotiated restructuring after such submission.
2. Notwithstanding Article 24 (Submission of a Claim), and subject to paragraph 1 of this Annex, an investor may not submit a claim that a restructuring of debt of a Contracting Party breaches an obligation under this Agreement⁶, unless 270 days have elapsed from the date of submission by the Claimant of the written request for consultations pursuant to Article 22 (Consultations).
3. For the purposes of this Annex:
 - (a) “negotiated restructuring” means the restructuring or rescheduling of debt of a Contracting Party that has been effected through (i) a modification or amendment of debt instruments, as provided for under their terms, including their governing law, or (ii) a debt exchange or other similar process in which the holders of no less than 75% of the aggregate principal amount of the outstanding debt subject to restructuring, have consented to such debt exchange or other process.
 - (b) “governing law” of a debt instrument means a jurisdiction’s legal and regulatory framework applicable to that debt instrument.

⁶ For greater certainty, a breach of Article 6 (Non-discriminatory Treatment) does not occur merely by virtue of a different treatment provided by a Contracting Party to certain categories of investors or investments on grounds of a different macroeconomic impact, for instance to avoid systemic risks or spillover effects, or on grounds of eligibility for debt restructuring.

ANNEX III
CODE OF CONDUCT FOR MEMBERS OF TRIBUNALS AND MEDIATORS

Article 1
Definitions

For the purpose of this Code of Conduct, the following definitions apply:

- “member” means a person who has been appointed to serve as a member of a Tribunal established pursuant to Section D of the Agreement between the Government of the Republic of Bulgaria and the Government for the promotion and reciprocal protection of investments (the “Agreement”).
- “assistant” means a person who, under the terms of appointment of a member, assists the member, conducts research, or supports him or her in his or her duties;
- “candidate” means a person who is under consideration for appointment as member;
- “mediator” means a person who conducts a mediation in accordance with Section D of this Agreement.

Article 2
Governing principles

Any candidate or member shall avoid impropriety and the appearance of impropriety, and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement proceeding is preserved.

Article 3
Disclosure Obligations

1. Prior to confirmation of their appointment as members under Article 26 of this Agreement, candidates shall disclose to the disputing parties any past or present interest, relationship or matter that is likely to affect their independence or impartiality, or that might reasonably be seen as creating a direct or indirect conflict of interest, or that creates or might reasonably be seen as creating an appearance of impropriety or bias. To this end, candidates shall make all reasonable efforts to become aware of any such interests, relationships or matters. The disclosure of past interests, relationships or matters shall cover at least the last [x] years prior to a candidate becoming aware that he or she is under consideration for appointment as member in a dispute under this Agreement.

2. Following their appointment, members shall at all times continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in Article 3(1) of this Code of Conduct. Members shall at all times disclose such interests, relationships or matters throughout the performance of their duties by informing the disputing parties and the Contracting Parties. They shall also communicate matters concerning actual or potential violations of this Code of Conduct to the disputing parties and the Contracting Parties.

Article 4
Independence, impartiality and other obligations of members

1. In addition to the obligations established pursuant to Articles 2 and 3 of this Code of Conduct, members shall:

- a. get acquainted with this Code of Conduct;
- b. be and appear to be, independent and impartial, and avoid any direct or indirect conflicts of interest;

- c. not take instructions from any organisation or government with regard to matters before the tribunal for which they are appointed;
 - d. avoid creating an appearance of bias and not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party, disputing party or any other person involved or participating in the proceeding, fear of criticism or financial, business, professional, family or social relationships or responsibilities;
 - e. not, directly or indirectly, incur any obligation, or accept any benefit, enter into any relationship, or acquire any financial interest that would in any way interfere, or appear to interfere, with the proper performance of their duties, or that is likely to affect their impartiality;
 - f. not use their position as a member to advance any personal or private interests and avoid actions that may create the impression that others are in a special position to influence them;
 - g. perform their duties thoroughly and expeditiously throughout the course of the proceeding, and with fairness and diligence;
 - h. avoid engaging in ex parte contacts concerning the proceeding;
 - i. consider only those issues raised in the proceeding and which are necessary for a decision or award and not delegate this duty to any other person;
2. Members shall take all appropriate steps to ensure that their assistants are aware of, and comply with, Articles 2, 3, 4(1), 5 and 6 of this Code of Conduct *mutatis mutandis*.

Article 5
Obligations of former members

1. Former members shall avoid actions that may create the appearance that they were biased in carrying out their duties or derived advantage from the decisions or awards of the tribunal.
2. Former members shall undertake that for a period of [x] years after the end of their duties in relation to a dispute settlement proceeding under this Agreement they shall not:
 - a. become involved in any manner whatsoever in investment disputes directly and clearly connected with disputes, including concluded disputes, that they have dealt with as members of a tribunal established under this Agreement;
 - b. [*option 1: act as party-appointed member, legal counsel or party-appointed witness or expert of any of the disputing parties, in relation to investment disputes under this or other bilateral or multilateral investment treaties.*]

[*option 2: as legal counsel or party-appointed witness or expert of any of the disputing parties, in relation to investment disputes under this or other bilateral or multilateral investment treaties.*]
3. If the [independent outside person in charge of deciding on challenges] is informed or becomes otherwise aware that a former member is alleged to have acted inconsistently with the obligations established in Article 5(1) and (2), or any other part of this Code of Conduct while performing the duties of member of a tribunal in an investment dispute under this Agreement, it shall examine the matter, provide the opportunity to the former member to be heard, and after verification, inform:
 - a. the professional body or other such institution with which the former member is affiliated;
 - b. the Contracting Parties;
 - c. the disputing parties in the specific dispute;
 - d. any other relevant international court or tribunal.
4. The [independent outside person in charge of deciding on challenges] shall make public

its decision to take the actions referred in paragraphs 3(a) to 3(d) above, together with the reasons thereof.

Article 6
Confidentiality

1. No member or former member shall at any time disclose or use any non-public information concerning a proceeding or acquired during a proceeding, except for the purposes of that proceeding, and shall not, in any case, disclose or use any such information to gain personal advantage or advantage for others or to adversely affect the interest of others.
2. Members shall not disclose an order, decision, or award or parts thereof prior to adoption or publication.
3. Members or former members shall not at any time disclose the deliberations of the tribunal, or any views of other members forming part of the tribunal, except in an order, decision or award.

Article 7
Expenses

Each member shall keep a record and render a final account of the time devoted to the procedure and of the expenses incurred, as well as the time and expenses of their assistants.

Article 8
Mediators

The rules set out in this Code of Conduct apply, *mutatis mutandis*, to mediators.