

AGREEMENT BETWEEN THE GOVERNMENT OF THE STATE OF QATAR AND THE GOVERNMENT OF THE RUSSIAN FEDERATION ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the State of Qatar and the Government of the Russian Federation, hereinafter referred to as the Contracting Parties;
Intending to create favorable conditions for making investments by investors of one Contracting Party in the territory of the other Contracting Party;
Recognizing that the promotion and reciprocal protection of investments on the basis of this Agreement shall stimulate inflow of capital and development of the mutually beneficial trade, economic, scientific and technical cooperation;
Have agreed as follows:

Article (1)

DEFINITIONS

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

- 1) "Investor" (with regard to each Contracting Party):
 - a) Any natural person who is a citizen of the State of that Contracting Party,
 - b) Any legal person established or constituted under the applicable legislation of that Contracting Party and having its seat in the territory of that Contracting Party,
 - c) Contracting Parties and their designated agencies.
- 2) "Investments" are all kinds of property assets invested by investor of one Contracting Party in the territory of the other Contracting Party in accordance with the latter Contracting Party's legislation and in particular:
 - a) Movable and immovable property as well as other rights in rem such as mortgages, liens and pledges.
 - b) Shares, stocks, debentures and other forms of shared participation in the capital of commercial organizations.
 - c) Claims to money invested for the purpose of creating economic values or under contracts having an economic value, related to investments.
 - d) Exclusive rights to intellectual property: copyrights, patents, industrial designs, models, trade marks and service marks, technology, information having commercial value and know-how.
 - e) Rights conferred by law or under contract to conduct business activity related in particular to exploration, development, extraction and exploitation of natural resources.Any change of the form of investments shall not affect their qualification as investments if such change does not contradict the legislation of the Contracting Party in which territory the investments were made.
- 3) "Returns" are the amounts yielded from investments and include, in particular: capital gains, royalties, profit, dividends, interest, reinvested returns, license and other fees;
- 4) "Territory of the Contracting Party" is:
 - a) with respect to the State of Qatar: the State of Qatar's lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf over which the State of Qatar exercises its sovereign rights and jurisdiction in accordance with the provisions of international law and Qatar's internal laws and regulations.
 - b) with respect to the Russian Federation: the territory of the Russian Federation as well as its exclusive economic zone and continental shelf defined in accordance with the Convention on the Law of the Sea (1982).
- 5) "legislation of the Contracting Party" is the laws and other regulations of the Russian Federation or the laws and other regulations of the State of Qatar.

Article (2)

SCOPE OF THE AGREEMENT

This Agreement shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party in accordance with the latter Contracting Party's legislation after the entry into force of this Agreement.

Article (3)

PROMOTION AND PROTECTION OF INVESTMENTS

1. Each Contracting Party shall aspire to create favorable conditions to investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its legislation.
2. Each Contracting Party shall, in accordance with its legislation, provide full protection on its territory to investments and returns of investors of the other Contracting Party.

Article (4)

TREATMENT OF INVESTMENTS

1. Each Contracting Party shall ensure in its territory fair and equitable treatment of the investments and returns of investors of the other Contracting Party related to management, maintenance, enjoyment, use or disposal of such investments and returns.
2. The treatment referred to in paragraph 1 of this Article shall be at least as favourable as that granted to the investments of its own investors or to the investments of investors of any third state, whichever investor considers as more favourable.
3. Each Contracting Party shall reserve the right to apply and to introduce in accordance with its legislation exceptions of national treatment to foreign investors and their investments, including reinvestments.
4. The provisions of paragraphs 1 and 2 of this Article related to the most-favored nation treatment shall not be construed so as to oblige one Contracting Party to extend to the investments made by investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party:
 - a) in connection with its membership in a free trade area, customs union, monetary union, common market and any similar economic integration institutions or any international agreement resulting in such unions or institutions;
 - b) on the basis of any international agreement or arrangement relating wholly or mainly to taxation;
5. Without prejudice to the provisions of the Articles 5, 6 and 9 of this Agreement, the Contracting Parties are not committed by this Agreement to accord a treatment more favourable than the treatment granted by each Contracting Party in accordance with the Agreement establishing the World Trade Organization (the Agreement WTO) signed on April, 15th, 1994 including the obligations of the General Agreement on Trade in Services (GATS) and also in accordance with any other multilateral arrangements concerning the treatment of investments to which both Contracting Parties are parties.

Article (5)

EXPROPRIATION

1. Investments of investors of one Contracting Party made in the territory of the other Contracting Party, shall not be expropriated, nationalized or subject to measures of coercive seizure tantamount by their effect to expropriation or nationalization (hereinafter referred to as expropriation), except cases when such measures are taken for public interests and in accordance with the procedure established by the legislation of the latter Contracting Party, when they are not discriminatory and entail prompt, adequate and effective compensation.
2. The compensation shall correspond to the market value of the expropriated investments calculated on date immediately preceding the date of expropriation or the date when impending expropriation became public knowledge, whichever is the earlier. The compensation shall be paid without delay in freely convertible currency and subject to the Article 7 of this Agreement shall be freely transferred abroad from the territory of the concerned Contracting Party. From the date of expropriation until the date of payment of compensation the amount of 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 one Contracting Party whose investments suffer losses in the territory of the other Contracting Party as a result of war, civil disturbance or other similar events shall be accorded a treatment as regards restitution, indemnification, compensation or other settlement, most favorable of those which the latter Contracting Party accords to investors of a third state or its own investors as regards any measures it takes in relation to such losses.

Article (7)

TRANSFER OF PAYMENTS

1. Each Contracting Party shall guarantee to investors of the other Contracting Party, upon fulfillment by them of all tax obligations, a free transfer abroad of payments related to their investments and in particular:
 - a) Capital and additional capital amounts used to maintain and increase investments.
 - b) Returns.
 - c) Funds in repayment of loans and credits recognized by both Contracting Parties as investments, as well as accrued interest.
 - d) Funds received as a result of partial or full liquidation or sale of investments.
 - e) Compensation or other settlement stipulated in the Articles 5 and 6 of this Agreement.
 - f) Wages and other remunerations received by natural persons of one Contracting Party who have the right to work in the territory of the other Contracting Party in relation to investments.
2. The payments, specified in paragraph 1 of this Article, shall be freely allowed to converse in any freely convertible currency by the investors choice at the market exchange rate, applicable at the date of conversion. Transfers of such payments in freely convertible currency shall be allowed without delay.
3. Operations specified in paragraph 2 of this Article, shall be made pursuant legislation of the Contracting Party, in which territory the investments were made.

Article (8)

SUBROGATION

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

Article (9)

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

1. Any legal dispute under the provisions of this Agreement between one Contracting Party and an investor of the other Contracting Party in connection with the investments of the investor in the territory of the former Contracting Party shall be settled, as far as possible, amicably through negotiations.
2. If such dispute cannot be settled according to the provisions of paragraph (1) of this Article within six months from the date of request in writing of any party to the dispute for settlement through negotiations, either party to the dispute may submit the dispute for consideration to:
 - a) a competent court of the Contracting Party in whose territory the investments were made;
 - b) the International Centre for the Settlement of Investment Disputes, established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States of March 18, 1965 done in Washington, D.C., for settlement of a dispute according to provisions of this Convention (if this Convention is applicable to the Contracting Parties), or according to Additional Facility Rules of the International Centre for the Settlement of Investment Disputes (provided that this Convention has not entered into force for either Contracting Party or both);
 - c) an ad hoc arbitral tribunal, established and operated pursuant the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).The ad hoc arbitral tribunal shall reach its award by a majority of votes. This award shall be final and legally binding upon the parties to the dispute. Each Contracting Party ensures in its territory the enforcement of this award in accordance with its legislation. The tribunal shall interpret its award and give reasons and bases of it at the request of either party to the dispute.

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, if possible, through negotiations between the Contracting Parties.
2. If the dispute cannot be settled within six months from the date of a written request for negotiations by either Contracting Party it shall, upon the request of either Contracting Party, be submitted to an arbitral tribunal,
3. An 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 of the receipt of the request for arbitration. Those two members shall then select a national of a third state who upon approval of the two Contracting Parties, shall be appointed Chairman of the arbitral tribunal within one month from the date of the appointment of the other two members.
4. If within the time-limits specified in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement 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 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 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 establish its own 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 the other Contracting Party in writing 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 a period of ten years. Thereafter it shall be automatically extended for subsequent periods of five years unless one of the Contracting Parties notifies in writing the other Contracting Party, no less than twelve months prior to the end of the corresponding period, of its intention to terminate the 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 the other Contracting Party in writing that it has completed all internal state procedures required for the entry into force of such amendment.
4. With respect to investments falling within the scope of application of this Agreement made prior to the date of termination of this Agreement, the provisions of all other articles of the Agreement shall continue to be in effect for the further period of ten years after the date of its termination.

Done at Doha on 12th February 2007 in duplicate in the Arabic, Russian and English languages, all texts being equally authentic. In case of difference of interpretation the text in English language shall be used.

For the Government of
the Russian Federation

For the Government of
the State of Qatar

Please do not consider the material presented above Official
Al Meezan - Qatary Legal Portal