

INVESTMENT INCENTIVE AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN

The Government of the United States of America and the Government of the Republic of Uzbekistan;

Affirming their common desire to encourage economic activities in the Republic of Uzbekistan which promote the development of the economic resources and productive capacities of the Republic of Uzbekistan; and

Recognizing that this objective can be promoted through investment insurance (including reinsurance), loans and investment guaranties which are backed in whole or in part by the Government of the United States of America and provided by the Overseas Private Investment Corporation ("OPIC"), an agency of the Government of the United States of America;

Have agreed as follows:

ARTICLE 1

As used in this Agreement, the term "Coverage" shall refer to any investment insurance, reinsurance or investment guaranty which is provided by an Issuer in connection with a project in the territory of the Republic of Uzbekistan, and the term "Issuer" shall refer to OPIC, any successor agency of the Government of the United States of America, and the agent of either.

ARTICLE 2

(a) (i) If the Issuer makes payment to any party under Coverage, the Government of the Republic of Uzbekistan shall, subject to the provision of Article 3

of this Agreement, recognize the transfer to the Issuer of any assets, including those in the form of Investment as well as currency or credits, in connection with such payment, as well as the succession of the Issuer to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith.

(ii) If the Issuer, in the exercise of its rights as a creditor, acquires any such assets or succeeds to any right, title, claim, privilege or cause of action, the Government of the Republic of Uzbekistan shall, subject to the provisions of Article 3 of this Agreement, recognize such acquisition or succession.

(b) The Issuer shall assert no greater rights than those of the party from whom such rights were acquired as described in paragraph (a) of this Article.

(c) The Issuer, as a non-commercial agency of the Government of the United States of America, shall not be subject to regulation under the laws of the Republic of Uzbekistan applicable to commercial insurance or financial organizations.

(d) Interest and fees on loans made or guaranteed by the Issuer shall be exempt from tax in the Republic of Uzbekistan. The Issuer shall not be subject to tax in the Republic of Uzbekistan as a result of any transfer, succession or other acquisition described in paragraph (a) of this Article. In all other cases, tax treatment of transactions conducted by the Issuer in the Republic of Uzbekistan shall be determined by applicable law of the Republic of Uzbekistan or specific agreement between the Government of the United States of America and the Government of the Republic of Uzbekistan.

ARTICLE 3

To the extent that the laws of the Republic of Uzbekistan partially or wholly invalidate or prohibit the transfer, succession or other acquisition, as described in Article 2(a) of this Agreement, of any interest in any property within the territory of the Republic of Uzbekistan by the Issuer, the Government of the Republic of Uzbekistan shall permit the Issuer to make appropriate arrangements pursuant to which such interests are transferred to a person or entity permitted to own such interests under the laws of the Republic of Uzbekistan.

ARTICLE 4

(a) Amounts in the currency of the Republic of Uzbekistan, including credits thereof, acquired by the Issuer in connection with payment to a party under Coverage shall be accorded treatment in the territory of the Republic of Uzbekistan no less favorable as to use and conversion than the treatment to which such funds would be entitled in the hands of the party under Coverage.

(b) Such amounts and credits may be transferred by the Issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the territory of the Republic of Uzbekistan in accordance with its laws.

(c) The provisions of this Article shall also apply to any amounts and credits in the currency of the Republic of Uzbekistan which may be accepted by the Issuer in settlement of obligations with respect to loans made by the Issuer for projects in the Republic of Uzbekistan.

ARTICLE 5

(a) Any dispute between the Government of the United States of America and the Government of the Republic of Uzbekistan regarding the interpretation of this Agreement or which, in the opinion of one of the Governments, presents a question of international law arising out of any project or activity for which Coverage has been issued shall be resolved, insofar as possible, through negotiations between the two Governments. If, at the end of six months following the request for negotiations, the two Governments have not resolved the dispute by agreement, the dispute, including the question of whether such dispute presents a question of international law, shall be submitted, at the initiative of either Government, to an arbitral tribunal for resolution in accordance with paragraph (b) of this Article.

(b) The arbitral tribunal referred to in paragraph (a) of this Article, shall be established and function as follows:

(i) Each Government shall appoint one arbitrator; these two arbitrators shall, by agreement, designate a president of the arbitral tribunal who shall be a citizen of a third state and whose appointment shall be subject to acceptance by the two Governments. The arbitrators shall be appointed within three months and the president within six months of the date of receipt of either Government's request for arbitration. If the appointments are not made within the foregoing time limits, either Government may, in the absence of the other agreement, request the Secretary-General of the Permanent Court of Arbitration to make the necessary appointment or appointments, and both Governments agree to accept such appointment or appointments.

(ii) The arbitral tribunal shall base its decision on the applicable principles and rules of international law. The arbitral tribunal shall decide by majority vote. Its decision shall be final and binding.

(iii) During the proceedings, each of the Governments shall pay the expense of its arbitrator and of its representation in the proceedings before the arbitral tribunal, whereas the expenses of the president and other costs of arbitration shall be paid in equal parts by the two Governments. In its award, the arbitral tribunal may, in its discretion, reallocate expenses and costs between the two Governments.

(iv) In all other matters, the arbitral tribunal shall regulate its own procedures.

(c) Nothing in this Agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights of the Issuer.

ARTICLE 6

The two Governments, desiring reciprocity, agree that, in the event the Government of the Republic of Uzbekistan makes arrangements to issue Coverage or make loans for projects in the United States of America under a program similar in substance to the investment incentive program to which this Agreement relates, provisions equivalent to those of this Agreement shall apply with respect to such arrangements upon completion of the constitutional or other legal processes of both Governments approving such provisions.

ARTICLE 7

This Agreement shall continue in force until the expiration of twelve months from the date of which either Government shall have given written notice of termination of this Agreement to the other. Provided that in respect of Coverage issued or loans made at any time before the termination of this Agreement, its provisions shall continue in effect with respect to such Coverage or loans for a period of twenty years after the date of termination of this Agreement.

This Agreement shall enter into force on the date of signing.

DONE at Tashkent, Uzbekistan, on the 28th day of October, 1992, in the English language. An Uzbek language text, when prepared, shall be considered equally authentic upon an exchange of diplomatic notes confirming its conformity with the English language text.

FOR THE GOVERNMENT OF
THE UNITED STATE OF AMERICA

FOR THE GOVERNMENT OF
THE REPUBLIC OF UZBEKISTAN




