AGREEMENT

BETWEEN

THE GOVERNMENT OF THE KINGDOM OF BAHRAIN

AND

THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN

FOR THE

PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Kingdom of Bahrain, and the Government of the Republic of Tajikistan hereinafter referred to as the "Contracting Parties";

Desiring to create favourable conditions for greater investment by nationals and companies of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the encouragement and reciprocal protection of such investments by an international agreement will be conducive to the stimulation of individual business initiatives and will increase prosperity in both States;

Have agreed as follows:

ARTICLE 1
DEFINITIONS

1.1 For the purposes of this Agreement:

(a) The terms "Contracting Party" and "the other Contracting Party", shall mean the Kingdom of Bahrain or the Republic of Tajikistan as the case may be.

(b) "investments" means every kind of asset utilised by investors of one Contracting Party as investments in accordance with the laws and regulations of the Contracting Party accepting the investment in its territory and in particular, though not exclusively, includes:

(i) movable and immovable property and any other property rights such as mortgages, liens or pledges and any other similar rights as defined in accordance with the laws and regulations of the Contracting Party in whose territory the property is situated;

(ii) shares in and stock and debentures of a company and any other form of participation in a company;

(iii) claims to money or to any performance under contracts having a financial value;

(iv) intellectual property rights, goodwill, technical processes and know-how;

(v) business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources;

(c) "income from debt claims" means income from debt-claims of every kind, whether or not secured by mortgage and whether or not carrying a right to participate in the debtor's profits, and in particular, income from government securities and income from bonds or debentures, including premiums and prizes attaching to such securities, bonds or debentures.

(d) "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profits, income from debt claims, capital gains, dividends, royalties and fees;

(e) "investor" means:

(i) natural person that is a citizen deriving their status as nationals of either Contracting Party or in that territory has permanent residency, who has been involved in the investment activity according to its applicable law;

(ii) corporations, firms or business associations incorporated or constituted under the law in force in either of the Contracting Parties;

(f) "territory" means:

(i) in the case of Bahrain the territory of the Kingdom of Bahrain as well as the maritime areas, seabed and subsoil over which Bahrain exercises, in accordance with international law, sovereign rights and jurisdiction;

(ii) in the case of Tajikistan the territory of the Republic of Tajikistan and, when used in the geographical sense, includes its territory, inland waters and the air space above them over which the Republic of Tajikistan may exercise its sovereign rights and jurisdiction, including the rights on exploration of the sub-soil and natural resources, in accordance with international law and where the laws of the Republic of Tajikistan apply;

1.2 For the purposes of this Agreement a change in the form in which assets are utilised as investments does not affect their character as investments provided that such a change does not contradict the Laws of the Contracting Party in the territory of which investments are made.

ARTICLE 2
PROMOTION AND PROTECTION OF INVESTMENTS

2.1 Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to invest capital in its territory, and, subject to its right to exercise powers conferred by its laws and regulations, shall admit such capital.

2.2 Investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its territory of investors of the other Contracting Party. Each Contracting Party shall observe any obligation it may have entered into with regard to investments of investors of the other Contracting Party.

ARTICLE 3
NATIONAL TREATMENT AND MOST-FAVOURED-NATIONAL PROVISIONS

3.1 Neither Contracting Party shall in its territory subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of its own investors or to investments or returns of investors of any third State.

3.2 Neither Contracting Party shall in its territory subject investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords to its own investors or to investors of any third State.

3.3 Unless specifically excepted, the treatment provided for in Articles 3.1 and 3.2 herein shall apply to the whole of this Agreement.

ARTICLE 4
COMPENSATION FOR LOSSES

4.1 Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party shall be accorded by

the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to investors of any third State. Any resulting payments shall be freely transferable.

4.2 Without prejudice to Article 4.1 herein, investors of one Contracting Party who in any of the situations referred to in that Article suffer losses in the territory of the other Contracting Party resulting from:

(a) the requisitioning of their property by its forces or authorities; or

(b) the destruction of their property by its forces or authorities, which was not caused in combat action or was not required by the necessity of the situation

shall be accorded restitution or adequate compensation. Any resulting payments shall be freely transferable.

ARTICLE 5
EXPROPRIATION

5.1 Investments of investors of either Contracting Party shall not be nationalised, expropriated, or subjected to procedures having effect as nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose relevant to the internal needs of that Party on a non-discriminatory basis and against prompt, adequate and effective compensation. Such compensation shall amount to the genuine value of the investment expropriated immediately before the expropriation or before the impending expropriation became public knowledge, whichever is the earlier, shall include a daily rate of compensation at a normal commercial rate until the date of payment, shall be made without delay, be effectively realisable and be freely transferable. The investor affected shall have a right under the law of the Contracting Party making the expropriation, to prompt review by a judicial or other independent authority of that Party of its case and of the valuation of its investment in accordance with the principles set out in this Article.

5.2 Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of Article 5.1 herein are applied so as to guarantee prompt, adequate and effective compensation in respect of their investment to such investors of the other Contracting Party who are owners of those shares.

ARTICLE 6
TRANSFERS

6.1 Each Contracting Party shall permit all transfers related to an investment of an investor of the other Contracting Party be made freely and without delay. Transfers shall be made in a freely usable currency at the market rate of exchange prevailing on the date of transfer. Such transfers shall include:

(a) profits, dividends, income from debt-claims, capital gains, royalty payments, management fees, technical assistance and other fees and amounts derived from the investment;

(b) proceeds from the sale of all or any part of the investment, or from the partial or complete liquidation of the investment;

(c) payments made under a contract entered into by the investor or its investment, including payments made pursuant to a loan agreement;

(d) payments arising from the compensation for losses or expropriation; and

(e) payments pursuant to Article 9 herein.

6.2 Notwithstanding Article 6.1 herein, a Contracting Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws in the following cases:

(a) bankruptcy, insolvency or the protection of the rights of creditors;

(b) issuing, trading, or dealing in securities;

(c) criminal or administrative violations;

(d) reports of transfers of currency or other monetary instruments; or

(e) ensuring the satisfaction of judgments in judicial proceedings.

6.3 In case of a serious balance of payments difficulty or of a threat thereof, a Contracting Party may temporarily restrict transfers provided that such a Contracting Party implements measures or a programme in accordance with the Articles of Agreement of the International Monetary Fund and that do not exceed those necessary to deal with the circumstances

described in this paragraph. These restrictions should be imposed on an equitable, non-discriminatory and in a good faith basis, and be notified to the other Contracting Party.

ARTICLE 7
EXCEPTIONS

The provisions of this Agreement relating to treatment not less favourable than that accorded to the investors of either Contracting Party or of any third State shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) any existing or future customs union, free trade area or regional co-operation organisation or similar international agreement to which either of the Contracting Parties is or may become a party; or

(b) any international agreement or arrangement, or any domestic legislation, relating wholly or mainly to taxation.

ARTICLE 8
SCOPE OF APPLICATION

The present Agreement shall apply to investments in the territory of one Contracting Party, made in accordance with its national laws and regulations, by investors of the other Contracting Party, whether prior to or after the entry into force of this Agreement. However, the Agreement shall not apply to disputes that have arisen before its entry into force.

ARTICLE 9
SETTLEMENT OF DISPUTES BETWEEN A CONTRACTING PARTY AND AN INVESTOR OF THE OTHER CONTRACTING PARTY

9.1 For the purpose of solving disputes with respect to investments between a Contracting Party and an investor of the other Contracting Party, consultations will take place between the parties concerned with a view to solving the case, as far as possible, amicably.

9.2 If these consultations do not result in a solution within three months from the date of request for settlement, the investor may submit the dispute, at his choice, for settlement to:

(a) the competent court of the Contracting Party in the territory of which the investment has been made; or

(b) the International Centre for Settlement of Investment Disputes (ICSID) provided for by the Convention on the Settlement of Investment Disputes between States and Nationals of the other States, done at Washington, on March 18, 1965; or

(c) an ad-hoc arbitral tribunal, which, unless otherwise agreed upon by the parties to the dispute, shall be, established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

9.3 Each Contracting Party hereby consents to the submission of an investment dispute to international conciliation or arbitration [and that any arbitral award shall be final and binding upon the parties to the dispute.

9.4 The Contracting Party, which is a party to the dispute, shall, at no time whatsoever during the procedures involving, investments disputes, assert as a defence its sovereign immunity.

ARTICLE 10
DISPUTES BETWEEN THE CONTRACTING PARTIES

10.1 Disputes between the Contracting Parties concerning the interpretation or application of this Agreement should, if possible, be settled through diplomatic channels.

10.2 If a dispute between the Contracting Parties cannot be settled through diplomatic channels, in three months after receiving writing notice, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

10.3 Such an arbitral shall be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. Those two members shall then select a national of a third State who on approval of the two Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members.

10.4 If within the periods specified in Article 10.3 herein the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make any necessary 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 necessary appointments. If the Vice-President is a national of either Contracting Party or if he too 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 necessary appointments.

10.5 The arbitral tribunal shall reach its decision by a majority of votes. Such decision shall be binding on both Contracting Parties. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by the Contracting Parties. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Contracting Parties, and this award shall be final and binding on both Contracting Parties. The tribunal shall determine its own procedure.

ARTICLE 11
SUBROGATION

11.1 If one Contracting Party or its designated agency makes a payment under an indemnity given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognise the assignment to the former Contracting Party or its designated agency by law or by local transaction of all the rights and claims of the party indemnified and that the former Contracting party or its designated agency is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party indemnified.

11.2 The former Contracting Party or its designated agency shall be entitled in all circumstances to the same treatment in respect of the rights and claims acquired by it by virtue of the assignment and any payments received in pursuance of those rights and claims as the party indemnified was entitled to receive by virtue of this Agreement in respect of the investment concerned and its related returns.

11.3 Any payments received in non-convertible currency by the former Contracting Party or its designated agency in pursuance of the rights and claims acquired shall be freely available to the former Contracting Party for the purpose of meeting any expenditure incurred in the territory of the latter Contracting Party.

ARTICLE 12
APPLICATION OF OTHER RULES

If the laws of either Contracting Party, or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contain rules, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such rules shall, to the extent that they are more favourable, prevail over the present Agreement.

ARTICLE 13
ENTRY INTO FORCE

Each Contracting Party shall notify the other of the completion of the constitutional formalities required for the entry into force of this Agreement. This Agreement shall enter into force on the date of the receipt of the latter of the two notifications by which the two Contracting Parties shall officially have communicated to each other that their respective ratification procedures have been completed.

ARTICLE 14
DURATION AND TERMINATION

This Agreement shall remain in force for an initial period of ten years. Thereafter it shall continue in force until the expiration of twelve months from the date on which either Contracting Party shall have given written notice of termination to the other Contracting Party. In respect of investments made whilst this Agreement is in force, its provisions shall continue in effect with respect to such investments for a period of ten years after the date of termination and without prejudice to the application thereafter of the rules of general international law.

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

Done in duplicate at Manama this 28 day of May 2014, in the Arabic, Tajik and English Languages, all three texts being equally authentic. In case of divergence between the texts, the English text shall be the operative one.

FOR THE GOVERNMENT OF THE KINGDOM OF BAHRAIN

FOR THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN