

September 12, 1997

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES AND THE GOVERNMENT OF THE RUSSIAN  
FEDERATION ON THE PROMOTION AND MUTUAL PROTECTION  
OF INVESTMENTS**

The Government of the Republic of the Philippines and the Government of the Russian Federation, hereafter referred to as the Contracting Parties,

Desiring to create favourable conditions for the realization of investments by Investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing that the promotion and mutual protection of investments on the basis of the present Agreement will stimulate the development of the mutually beneficial commercial and economic cooperation,

Have agreed as follows:

**ARTICLE I  
DEFINITIONS**

For the purposes of this Agreement:

1. The term "investor" shall mean with regard to each Contracting Party:

With regard to the Republic of the Philippines:

(a) citizens of the Philippines;

(b) legal entities which are constituted or otherwise duly organized under Philippine laws, as well as companies not established under Philippine law but effectively controlled by Philippine citizens or by companies established under Philippine laws.

With respect to the Russian Federation:

(a) any natural person who is a citizen of the state of the Russian Federation and who has a legal right in accordance with the legislation of the Russian Federation to make investments in the territory of the Republic of the Philippines;

(b) any legal person established under the existing legislation in the territory of the Russian Federation provided the legal person is competent, in accordance with the legislation of the Russian Federation, to make investments in the territory of the Republic of the Philippines.

2. The term "investments" shall mean all kinds of assets which investors of one Contracting Party invest 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 property rights thereto;

(b) shares, stocks and other forms of participation in business enterprises or companies;

(c) claims to money invested for the purpose of creating economic values or on services having economic value related to investments;

(d) exclusive rights to intellectual property (copyrights, patents, industrial samples, models, trade marks and service marks), technology, information having commercial value and "know-how";

(e) rights conferred by law or under contract to conduct economic as well as commercial activity related in particular to exploration, development, extraction and exploitation of natural resources.

Any alteration of the form in which assets have been invested or reinvested shall not affect the character of investment on condition that this change is not in contradiction with the legislation of the Contracting Party in the territory of which the investments were made.

3. The term "returns" shall mean the amounts yielded as a result of investments according to paragraph 2 of this Article and includes in particular, profit, dividends, interest, license fees and other fees.

4. The term "territory" shall mean:

(a) With respect to the Republic of the Philippines:

The territory of the Republic of the Philippines as well as its exclusive economic zone and continental shelf, where the Republic of the Philippines exercises sovereign rights and jurisdiction in accordance with its national laws and international law.

(b) With respect to the Russian Federation:

The territory of the Russian Federation as well as its exclusive economic zone and continental shelf, where the Russian Federation exercises sovereign rights and jurisdiction in accordance with its national laws and international law.

5. The term "Legislation of the Contracting Party" shall mean the Constitution, laws, regulations and other issuances of the State of the Contracting Party in respect of both Contracting Parties.

## **ARTICLE II PROMOTION AND ADMISSION OF INVESTMENTS**

1. Each Contracting Party shall encourage investors of the other Contracting Party to make investments in its territory and admit such investments in accordance with its legislation.

2. Each Contracting Party shall, in accordance with its legislation, guarantee to investors of the other Contracting Party full protection and security to investments made by investors of the other Contracting Party.

## **ARTICLE III TREATMENT OF INVESTMENTS**

1. Each Contracting Party shall ensure in its territory fair and equitable treatment of the investments made by investors of the other Contracting Party and activities in connection with such investments and exclude the use of discriminatory measures that might hinder management and administration of investments.

2. Each Contracting Party shall in its territory accord the investors of the other Contracting Party, as regards management, maintenance, use, enjoyment, or disposal of their investments, treatment not less favourable than that which it accords to investors of any third State.

3. Each Contracting Party shall reserve the right to determine economic fields and areas of activity where activities of foreign investors shall be excluded or restricted.

4. The provisions of the preceding paragraphs shall not be construed 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:

- participation in any customs union, economic union, common market, free trade area, or regional economic organization of which either Contracting Party is a member, or
- agreements between the Russian Federation and the states, which had earlier formed part of the Union of Soviet Socialist Republics, or
- any international agreement or arrangement relating wholly or mainly to taxation.

#### **ARTICLE IV ENTRY AND SOJOURN OF KEY PERSONNEL**

1. Each Contracting Party shall, in accordance with its legislation of entry and sojourn of non-citizens, permit natural persons who are investors of the other Contracting Party and key personnel employed by companies of that other Contracting Party to enter and remain in its territory for the purpose of engaging in activities associated with investments.

2. Each Contracting Party shall, in accordance with its legislation, permit investors of the other Contracting Party who made investments in the territory of the first Contracting Party to employ any employee of key personnel of their choice regardless of citizenship on condition that such employee has the permission to enter, sojourn and work in the territory of the first Contracting Party and such job corresponds to conditions and time limits stipulated in such employee's permission.

#### **ARTICLE V TRANSPARENCY OF LAWS**

Each Contracting Party shall, with a view to promoting the understanding of its laws that pertain to or affect investments in its territory made by investors of the other Contracting Party, provide such laws to the public and make them readily accessible.

#### **ARTICLE VI EXPROPRIATION**

1. Investments by investors of one Contracting Party made in the territory of the other Contracting Party, shall not be expropriated, nationalized or subjected to