

No. 47378

**Lithuania
and
Georgia**

Agreement between the Government of the Republic of Lithuania and the Government of Georgia on the promotion and protection of investments. Tbilisi, 9 November 2005

Entry into force: *1 November 2006 by notification, in accordance with article 14*

Authentic texts: *English, Georgian and Lithuanian*

Registration with the Secretariat of the United Nations: *Lithuania, 21 April 2010*

**Lituanie
et
Géorgie**

Accord entre le Gouvernement de la République de Lituanie et le Gouvernement de la Géorgie relatif à la promotion et à la protection des investissements. Tbilissi, 9 novembre 2005

Entrée en vigueur : *1^{er} novembre 2006 par notification, conformément à l'article 14*

Textes authentiques : *anglais, géorgien et lituanien*

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[ENGLISH TEXT – TEXTE ANGLAIS]

A G R E E M E N T
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA
AND
THE GOVERNMENT OF GEORGIA
ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Lithuania and the Government of Georgia, hereinafter referred to as “the Contracting Parties”,

- desiring to intensify economic cooperation between them on mutually advantageous conditions,

- determined to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

- recognising that the promotion and protection of such investments will stimulate private business initiative and increase the prosperity of both countries,

have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement:

1. The term “investment” shall comprise every kind of asset, invested by an investor of one Contracting Party in the territory of the other Contracting Party, provided that the investment has been made in accordance with the laws and regulations of the other Contracting Party, and shall include in particular, though not exclusively:

a) movable and immovable property as well as any other rights *in rem*, such as mortgages, liens and pledges, and similar rights;

b) shares, bonds and other forms of participation in an enterprise;

c) claims to money or to any performance having an economic value;

d) intellectual property rights, in particular copyrights, industrial property rights (such as patents, industrial designs and models, trade marks, trade names) and know-how;

e) goodwill;

f) any right to conduct economic activities conferred by law or under contract, including concessions to search for, extract and exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment, provided such an alteration is made in accordance with the laws and regulations of the host Contracting Party.

2. The term "investor" shall mean:

a) in respect of the Republic of Lithuania:

i) natural persons who are nationals of the Republic of Lithuania according to its laws and regulations;

ii) persons without nationality, permanently residing in the territory of the Republic of Lithuania according to its laws and regulations;

iii) any legal person constituted under the laws and regulations of the Republic of Lithuania;

b) in respect of Georgia:

i) any natural person who is a national of Georgia;

ii) any legal entity, established or registered in accordance to the legislation of Georgia.

3. The term "returns" shall mean all amounts yielded by an investment and in particular, though not exclusively, includes profits, capital gains, interest, dividends, royalties and fees.

4. The term "territory" shall mean:

a) in respect of the Republic of Lithuania – the territory of the Republic of Lithuania under the sovereignty of the Republic of Lithuania and other areas over which the Republic of Lithuania exercises sovereign rights or jurisdiction in accordance with international law;

b) in respect of Georgia – the territory recognized by the international community within the state borders of Georgia, including land territory, internal waters and territorial sea, their subsoil and the air space above them, in respect of which Georgia exercises its sovereignty, as well the exclusive economic zone and continental shelf adjacent to its territorial sea in respect of which Georgia may exercise its sovereign rights in accordance with the international law for the purpose of exploration.

5. The term "laws and regulations" shall mean in respect of either Contracting Party the laws and regulations in force in the territory of that Contracting Party.

Article 2
Promotion of Investments

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

Article 3
Protection and Treatment of Investments

1. Each Contracting Party shall at all times ensure fair and equitable treatment of the investments made by investors of the other Contracting Party as well as their full security and protection.

2. Neither Contracting Party shall by arbitrary or discriminatory measures impair the management, maintenance, use, enjoyment or disposal of investments made by investors of the other Contracting Party.

3. Each Contracting Party shall accord to the investments made by investors of the other Contracting Party treatment no less favourable than that accorded to the investments made by its own investors or investors of any third State, whichever is more favourable.

4. The provisions of this Agreement 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 accorded to the investors of any third State by virtue of:

a) any existing or future customs union, common market, free trade area, other forms of regional economic cooperation or similar international arrangements to which either Contracting Party is or may become a party;

b) any existing or future agreements relating to avoidance of double taxation or any other arrangement relating to taxation.

Article 4
Expropriation

1. Neither Contracting Party shall expropriate, nationalise or take measures having equivalent effect (hereinafter referred to as "expropriation") against investments of investors of the other Contracting Party, unless:

a) such expropriation is in the public interest and under due process of law;

b) such expropriation is carried out without discrimination;

c) prompt, adequate and effective compensation is given.

2. The compensation mentioned in point (c) of the paragraph (1) of this Article shall be equivalent to the market value of the expropriated investment immediately before

the expropriation occurred or the impending expropriation became public knowledge, whichever is the earlier, and shall be paid without undue delay. The compensation shall include interest calculated on the LIBOR basis from the date of expropriation until the date of full payment.

3. Investors, whose assets are being expropriated shall, without prejudice to their rights under Article 8 of this Agreement, have a right to prompt review by the appropriate judicial or other competent and independent authorities of the expropriating Contracting Party to determine whether such expropriation, and any related compensation conforms to the principles of this Article and the laws and regulations of the expropriating Contracting Party.

Article 5

Compensation for Losses

1. Investors of one Contracting Party who suffer losses relating to their investments in the territory of the other Contracting Party due to war, a state of national emergency, insurrection, riot or other similar events, shall be accorded by the latter Contracting Party, treatment no less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable.

2. Notwithstanding paragraph 1 of this Article, investors of one Contracting Party who suffer losses in the territory of the other Contracting Party resulting from:

a) requisitioning of their investments or part thereof by the latter's forces or authorities, or

b) destruction of their investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation,

shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective.

Article 6

Transfers

1. Each Contracting Party shall guarantee to investors of the other Contracting Party free transfer into and out of its territory of payments related to an investment, in particular:

a) initial capital and additional amounts for the maintenance or extension of the investment;

b) returns;

c) proceeds from total or partial liquidation of the investment;

d) funds in repayment of loans directly related to the investment;