

No. 48197

**Turkey
and
Romania**

Agreement between the Government of the Republic of Turkey and the Government of Romania on the reciprocal promotion and protection of investments. Bucharest, 3 March 2008

Entry into force: *8 July 2010 by notification, in accordance with article 11*

Authentic texts: *English, Romanian and Turkish*

Registration with the Secretariat of the United Nations: *Turkey, 6 January 2011*

**Turquie
et
Roumanie**

Accord entre le Gouvernement de la République turque et le Gouvernement de la Roumanie sur la promotion et la protection réciproques des investissements. Bucarest, 3 mars 2008

Entrée en vigueur : *8 juillet 2010 par notification, conformément à l'article 11*

Textes authentiques : *anglais, roumain et turc*

Enregistrement auprès du Secrétariat des Nations Unies : *Turquie, 6 janvier 2011*

[ENGLISH TEXT – TEXTE ANGLAIS]¹

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY
AND THE GOVERNMENT OF ROMANIA ON THE RECIPROCAL PROMOTION
AND PROTECTION OF INVESTMENTS**

The Government of the Republic of Turkey and the Government of Romania, hereinafter referred to as "the Contracting Parties",

Desiring to develop the relations of economic co-operation existing between the two countries,

Determined to encourage and create favourable conditions for investments of investors of Romania in the territory of the Republic of Turkey and by investors of the Republic of Turkey in the territory of Romania,

Recognizing that protection of the investments, under this Agreement, stimulates the initiative in this field and increases the economic prosperity of both countries,

Have agreed as follows:

ARTICLE 1

Definitions

For the purposes of this Agreement:

(a) The term "investor of a Contracting Party" means, with regard to either Contracting Party, the following subjects who made investments in the territory of the other Contracting Party, in accordance with the national laws and regulations of that Contracting Party:

- (i) a natural person who is a national of the Republic of Turkey or a citizen of Romania under their applicable national laws;
- (ii) legal persons, including companies, corporations, business associations, which are constituted or otherwise duly organized under the national laws and regulations of that Contracting Party and have their seat, together with their real economic activities in the territory of that Contracting Party.

(b) "investment" means in conformity with the national laws and regulations of the hosting Contracting Party every kind of asset and includes but not exclusively:

- (i) shares or any other terms of participation in a company;
- (ii) movable and immovable property, and property rights such as mortgages, liens and pledges or similar property rights;
- (iii) reinvested returns;
- (iv) a claim to money or a claim to performance having financial value and associated with an investment;

¹ Published as submitted.

(v) industrial property rights, including rights with respect to patents, trademarks, trade names, industrial designs, know-how and goodwill and intellectual property rights;

(vi) concessions conferred by law or by virtue of a contract, particularly concessions related to prospecting, extracting and exploiting natural resources.

The said term shall refer to all direct investments made in accordance with the laws and regulations in the territory of the Contracting Party where the investments are made. The term investments cover all investments made in the territory of a Contracting Party before or after entry into force of this Agreement.

(c) "returns" means the amounts yielded by an investment and in particular though not exclusively, includes profits, dividends, interests, royalties, capital gains or fees.

(d) Territory means, in respect of each Contracting Party; the land territory, the territorial sea and the air space above them as well as the sea and submarine areas over which the Contracting Party is entitled to exercise, in conformity with international law, sovereignty, sovereign rights or jurisdiction.

ARTICLE 2

Promotion and Protection of Investments

(1) Each Contracting Party shall promote and admit, in its territory, the investments of the investors of the other Contracting Party in accordance with its national laws and regulations.

(2) Without prejudice to the European Union measures, investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection 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, extension or disposal of such investments.

ARTICLE 3

National and Most Favoured Nation Treatment

(1) Each Contracting Party shall accord, in its territory, to the investment of the investors of the other Contracting Party a treatment not less favourable than that which it accords to investments of its investors or investors of any third State, whichever is the most favourable.

(2) The national and most favoured nation treatment provisions of this Agreement shall not apply to all actual or future advantages accorded by either Contracting Party by virtue of its membership of, or association with, a customs, economic or monetary union, a common market or a free trade area to investors of its own, of Member States of such union, common market or free trade area, or of any other third State. Nor shall such treatment relate to any advantage which either Contracting Party accords to investors of a third State by virtue of a double taxation agreement or other agreements on a reciprocal basis regarding tax matters.

(3) Each Contracting Party shall observe any other obligation entered into with regard to investments made in its territory by investors of the other Contracting Party.

ARTICLE 4

Expropriation and Compensation

(1) The investments made by investors of one Contracting Party in the territory of the other Contracting Party shall not be expropriated or nationalized or subjected to other measures having a similar effect, unless the following conditions are fulfilled:

- (a) the measures are adopted for public purpose, under due process of law;
- (b) the measures are not discriminatory.

(2) The compensation shall correspond to the fair market value of the investment at the time of the expropriation or at the time it became public knowledge, whichever is earlier, and shall be effectively realizable, freely transferable and made without delay. In the event that payment of compensation is delayed, the investor shall receive interest for the period of any undue delay in making payment.

(3) Upon the request of the investor, the amount of compensation can be reassessed by a tribunal or other competent body of the Contracting Party where the investment has been made.

ARTICLE 5

Compensation for Losses

Investors of one Contracting Party whose investment in the territory of the other Contracting Party suffers losses owing to war or other armed conflict, a 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 compensation or other settlement, not less favourable than that which the latter Contracting Party accords to its own investors or investors of any third State. Without prejudice to the measures adopted by the European Union, payments, if any, resulting from this Article shall be freely transferable.

ARTICLE 6

Settlement of Investment Disputes

(1) For the purposes of this Article, an investment dispute is defined as a dispute involving:

(a) interpretation or application of any investment authorization granted by a Contracting Party's foreign investment authority to an investor of the other Contracting Party, or

(b) a breach of any right conferred or created by this Agreement with respect to an investment.

(2) Any dispute between one Contracting Party and an investor of the other Contracting Party, concerning an investment of that investor in the territory of the former Contracting Party shall be settled, as far as possible amicably, by consultations and negotiations between the parties to the dispute.

(3) If the dispute cannot be settled by consultations and negotiations within six months from the date of request for settlement then the dispute shall be submitted to, as the investor may choose to:

(a) the International Center for Settlement of Investment Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes Between States and Nationals of other States" done at Washington, on March 16, 1965, in case both Contracting Parties become signatories of this Convention,

(b) an ad hoc court of arbitration laid down under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL).

(4) The submission of the investment disputes to the International Center for the Settlement of Investment Disputes will be done in accordance with the procedure provided for in the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington on March 18, 1965.