

No. 49942

**Republic of Korea
and
Iran (Islamic Republic of)**

Agreement between the Government of the Republic of Korea and the Government of the Islamic Republic of Iran for the promotion and protection of investments (with exchange of notes, Tehran, 11 September 2004 and 1 January 2006). Tehran, 31 October 1998

Entry into force: *31 March 2006, in accordance with article 14*

Authentic texts: *English, Korean and Persian*

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**République de Corée
et
Iran (République islamique d')**

Accord entre le Gouvernement de la République de Corée et le Gouvernement de la République islamique d'Iran pour la promotion et la protection des investissements (avec échange de notes, Téhéran, 11 septembre 2004 et 1^{er} janvier 2006). Téhéran, 31 octobre 1998

Entrée en vigueur : *31 mars 2006, conformément à l'article 14*

Textes authentiques : *anglais, coréen et persan*

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[ENGLISH TEXT – TEXTE ANGLAIS]

AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA
AND
THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN
FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Korea and the Government of the Islamic Republic of Iran (hereinafter referred to as the "Contracting Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both States;

Intending to utilize their economic resources and potential facilities in the area of investments as well as to create and maintain favourable conditions for investments of the nationals of the Contracting Parties in each other's territory; and

Recognizing the need to promote and protect investments of the nationals of the Contracting Parties in each other's territory;

Have agreed as follows:

ARTICLE 1

DEFINITIONS

For the purpose of this Agreement, the meaning of the terms used therein are as follows:

1. The term "investment" refers to every kind of property or asset, and in particular, though not exclusively, including the following, invested by the investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party (hereinafter referred to as the "host Contracting Party"):
 - (a) movable and immovable property as well as rights related thereto, such as mortgages, liens, leases or pledges;

- (b) shares or any kind of participation in companies;
 - (c) money and/or receivables;
 - (d) industrial and intellectual property rights such as patent, utility models, industrial designs or models, trade marks and names, know-how and goodwill;
 - (e) rights to search for, extract or exploit natural resources.
2. The term "investors" refers to the following persons who invest in the territory of the other Contracting Party within the framework of this Agreement:
- (a) natural persons who, according to the laws of either Contracting Party, are considered to be its national and have not the nationality of the host Contracting Party.
 - (b) legal persons of either Contracting Party which are established under the laws of that Contracting Party and their headquarters or their real economic activities are located in the territory of that Contracting Party.
3. The term "returns" refers to the amounts legally yielded by an investment including profit derived from investments, dividends, royalties and fees.
4. (a) In case of the Republic of Korea, "territory" means the territory of the Republic of Korea, as well as the maritime area, including the seabed and subsoil adjacent to the outer limit of the territorial sea over which the Republic of Korea exercises, in accordance with international law, sovereign rights or jurisdiction for the purpose of exploration and exploitation of the natural resources of such area.
- (b) In case of the Islamic Republic of Iran, the term "territory" refers to areas under the sovereignty or jurisdiction of the Islamic Republic of Iran, as the case may be, and includes its maritime areas.

5. "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

ARTICLE 2

PROMOTION OF INVESTMENTS

1. Either Contracting Party shall encourage its nationals to invest in the territory of the other Contracting Party.
2. Either Contracting Party shall, within the framework of its laws and regulations, create favourable conditions for attraction of investments of nationals of the other Contracting Party in its territory.

ARTICLE 3

ADMISSION OF INVESTMENTS

1. Either Contracting Party shall admit investments of investors of the other Contracting Party in its territory in accordance with its laws and regulations.
2. When an investment is admitted, either Contracting Party shall, in accordance with its laws and regulations, grant all necessary permits for the realization of such an investment.