

## LAW OF RT «ON INVESTMENT AGREEMENT»

### Requisites

# 944 dated March 19, 2013

### Scope of the Law

The Law regulates the relations between the state and investors at all stages of preparation, execution, entry into force and implementation of investment agreements, regardless of the subject of investment projects.

### Field of application

The Law applies to investment projects to be implemented in strategic and priority sectors of the economy of the Republic of Tajikistan. The provisions of the Law do not apply to projects implemented under concession agreement, production sharing agreement, public – private partnership, as well as investments of the foreign states in the Republic of Tajikistan.

### Persons covered

- The Government of the Republic of Tajikistan;
- Investors.

### Authorized state body

State authorities involved in the regulation of activities under investment agreements:

- Majlisi namoyandagon Majlisi Oli of the Republic of Tajikistan;
- the Government of the Republic of Tajikistan;
- the State committee on investments and state property management the Republic of Tajikistan.

### Special provisions

Investment agreement is concluded for integrated regulation of the issues specified by the Government of RT and investor as essential for realization of the investment project.

Investment agreement may prescribe special treatment of investment project realization and provision of the specific incentives that are not set by the legislation of the Republic of Tajikistan.

Investment agreement is subject to ratification by Majlisi namoyandagon Majlisi Oli of the Republic of Tajikistan.

Investment agreement includes the following provisions:

- Nature of the project;
- Entering into force and validity period of investment agreement;
- Licensing (if required by legislation);
- Financing of investment project;
- Goals, procedures, timeframe and terms of conducting special researches as required for realization of the investment agreement;
- Goals, procedures, timeframe and terms of conducting feasibility study that shall be developed by the investor prior the main project activities and events, including the terms of feasibility study presentation by investor and the approval of feasibility study findings by the Government of RT;
- Rights and obligations of the parties;
- Protection of creditor's rights;
- Realization of investment project;
- Currency regulation and control;
- Tax and customs regime;
- Employment issues;
- Ownership of property, information and other resources;
- Standards for financial reporting under investment agreement;
- Procedure for amendments and additions to investment agreement;
- Termination and cancellation of investment agreement;
- Force majeure events;
- Guarantee for compensation of possible losses;
- Binding character of investment agreement and its performance, and stabilization provisions;

- Sovereign immunity of the Republic of Tajikistan;
- Applicable law and resolution of disputes;
- Language of investment agreement.

Investment agreement with foreign investor may include provisions on waiver of sovereign immunity by the Republic of Tajikistan from preliminary measures ensuring arbitration services' fees, from legal process notification, from enforcement of arbitral decision, on waiver of property immunity of the Republic of Tajikistan either in respect of preliminary measures ensuring enforcement of arbitral decision, or in respect of compulsory enforcement of arbitral decision within and outside the territory of the Republic of Tajikistan.

Investment agreement may include a provision according to which special rights, exemptions and preferences of investor and investment project, as well as other provisions of investment agreement will remain in full force and effect and apply during the whole validity period regardless of subsequent changes in the legislation.

### **Guarantees provided to investors**

Investment agreement may establish the following guarantees:

- Guarantee and legal protection of investments, including guarantees against any acts of the state or its bodies aimed at undervaluation of investments;
- Free movement of capital both in Tajikistan and abroad;
- Free repatriation of earnings, capital, dividends and amounts under the service rendering and work performance agreement;
- Stabilization provision;
- Compensation provision for breach of investment agreement by the state or unlawful interference of state bodies;
- Protection of special and additional copyright, trademark rights and intellectual property rights of investor;
- Prohibition of expropriation and nationalization of investor's property, except for the public needs, with payment of mandatory compensation;
- Prohibition of discrimination;
- Free establishment of legal entities with foreign and local investment for realization of investment project;
- Right for carrying out entrepreneurial activities on contractual basis, free choice of the counter party and the scope of agreements, right to choose the applicable law, judicial or arbitration procedure of dispute resolution or other forms of resolution for any agreements, freedom to determine the obligations and other terms of the agreement;
- Rights on carrying out any commercial activities inside and outside of the Republic of Tajikistan that is necessary for realization of investment project;
- Right on foreign trade and import-export operations;
- Right on attraction and provision of loans, guarantees and other types of collateral from local and foreign banks, companies and organizations, as well as right on preferential insurance on terms with local and foreign insurers;
- Right on investment and reinvestment under investment agreement depending on requirements of investment project.

### **References to other legal acts**

List of priority investment projects approved by the Government of the Republic of Tajikistan (not developed yet).

### **Investment incentives**

In addition to the main rights and guarantees of the investor, investment agreements may prescribe the following special rights, exemptions and incentives of the investors and investment projects:

- Special tax regime, including simplified tax regime, exemption of the investor, its contractors and foreign employees from payment of specific or all taxes, other tax concessions for a certain period or whole of validity period of investment agreement;
- Special customs regime, including fully or partially exemption from customs duty, simplified customs procedure for the investor, its contractors and foreign employees for a certain or whole of validity period of investment agreement;
- Special regime of currency regulation and control, including exemption from license obtaining and registration loans and other forms of financing attracted by the investor for investment project and for opening bank accounts in the Republic of Tajikistan and in foreign states,
- Special licensing regime, including simplified procedure for issuance, re-issuance, renewal of licenses that is

necessary for realization of investment project, issuance of the license for extended validity period that is prescribed by the legislation of the Republic of Tajikistan, full or partial exemption from licensing fees;

- Full or partial waiver of the Republic of Tajikistan from priority rights to acquire certain obligatory part of goods, works and services produced and provided during realization of the investment project;

- Full or partial exemption from application of legislation in the sphere of costs and tariffs regulation, including antitrust legislation of the Republic of Tajikistan;

- Special or simplified visa regime and immigration control for the employees and contractors of the investor, discharge the investor and its enterprises from the obligation to meet the quotas during the realization of the investment project.