

## Outline of Japan-Uzbek Investment Agreement

### **1. History**

Date	History
November 2007	On the occasion of the Japan-Uzbekistan Business Forum in Tashkent, the two countries shared the intention to start negotiations on a bilateral investment agreement that covers the protection and broad liberalization of investment.
February 2008	First Round Negotiation (in Tokyo)
April 2008	Second Round Negotiation (in Tashkent)
May 2007	Third Round Negotiation (in Tokyo)
August 2008	Ambassador Hiraoka and Foreign Minister Norov signed the Agreement. (in Tashkent)

### **2. Meaning and Features of the Agreement**

#### (1) Meaning

- \* To strengthen the economic relationship between Japan and the Republic of Uzbekistan by promoting investment between the two countries, in particular, investment of Japanese enterprises to the Republic of Uzbekistan.
- \* To protect the investments of Japanese enterprises in the Republic of Uzbekistan.
- \* To support the growth strategy of the Republic of Uzbekistan that focus on economic development by promoting foreign direct investment.

#### (2) Features

- \* This Agreement stipulates not only the protection, but also the liberalization of investment. For example, the Agreement (1) provides, in principle, national treatment and most-favored-nation treatment which respect to pre-establishment phase of investments (Article 2); (2) obliges the Contracting Parties to abide by their contracts with investors (Article 3.2); and (3) prohibits, in principle, performance requirements that might hinder investment (Article 5).
- \* The Contracting Parties are obliged to abide by these provisions, except matters and sectors provided in the Annexes.

### **3. Outline of the Agreement**

#### (1) Protection of Investors and Investments

National treatment (Article 2.1), most-favored-nation treatment (Article 2.3), obligation to abide by contracts with investors (Article 3.2), prohibition of performance requirements (Article 5), expropriation and compensation (Article 11), protection from strife (Article 12), transfers (Article 14).

#### (2) Exceptions

General and security exceptions (Article 17), temporary safeguard measures (Article 18), prudential measures (Article 19).

#### (3) Dispute Settlements

Settlement of investment disputes between the Contracting Parties (Article 15), settlement of investment disputes between a Contracting Party and an investor of the other Contracting Party (Article 16), joint committee (Article 22).

#### (4) Others

Entry into force, termination, etc. (Article 26).

(5) Annexes

Reservations for non-conforming measures of each Contracting Party to national treatment (Article 2.1), most-favored-nation treatment (Article 2.3) and the prohibition of performance requirements (Article 5).

**4. Prospects**

The Contracting Parties are to carry out the procedures required by domestic laws (including seeking Diet approval) to make the Agreement enter into force as soon as possible.

(Note: The Agreement will enter into force on the 30th day after the date of the exchange of diplomatic notes informing each other that their respective legal procedures necessary for the entry into force of this Agreement have been completed.)