

No. 31557

**JAPAN
and
TURKEY**

Agreement concerning the reciprocal promotion and protection of investment (with protocol). Signed at Ankara on 12 February 1992

Authentic text: English.

Registered by Japan on 27 January 1995.

**JAPON
et
TURQUIE**

Accord relatif à l'encouragement des investissements et à leur protection réciproque (avec protocole). Signé à Ankara le 12 février 1992

Texte authentique : anglais.

Enregistré par le Japon le 27 janvier 1995.

AGREEMENT¹ BETWEEN JAPAN AND THE REPUBLIC OF TURKEY CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENT

Japan and the Republic of Turkey,

Desirous of strengthening economic cooperation between the two countries,

Intending to create favourable conditions for investment by nationals and companies of each country within the territory of the other country, by means of the favourable treatment for investment and business activities in connection therewith and the protection of investments, and

Recognizing that the promotion and protection of investment will stimulate the flow of capital and technology for the benefit of the economies of the two countries,

Have agreed as follows:

Article 1

For the purposes of the present Agreement:

(1) The term "investments" comprises every kind of asset including:

- (a) shares and other types of holding of companies;
- (b) claims to money or to any performance under contract having a financial value which are associated with investment;
- (c) rights with respect to movable and immovable property;

¹ Came into force on 12 March 1993, i.e., the thirtieth day following the date of the exchange of the instruments of ratification, which took place at Tokyo on 10 February 1993, in accordance with article 16 (2).

(d) patents of invention, rights with respect to trade marks, trade names, trade labels and any other industrial property, and rights with respect to know-how; and

(e) concession rights including those for the exploration and exploitation of natural resources.

(2) The term "returns" means the amounts yielded by an investment, in particular, profit, interest, capital gains, dividends, royalties and fees.

(3) The term "nationals" means, in relation to one Contracting Party, physical persons possessing the nationality of that Contracting Party.

(4) The term "companies" means corporations, partnerships, companies and other entities whether or not with limited liability and whether or not for pecuniary profit. Companies constituted under the applicable laws and regulations of one Contracting Party and having their seat within its territory shall be deemed companies of that Contracting Party.

Article 2

1. Each Contracting Party shall, subject to its rights to exercise powers in accordance with the applicable laws and regulations, encourage and create favourable conditions for nationals and companies of the other Contracting Party to make investment in its territory, and, subject to the same rights, shall admit such investment.

2. Nationals and companies of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to nationals and companies of any

third country in respect of the matters relating to the admission of investment.

Article 3

1. Nationals and companies of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to nationals and companies of any third country in respect of investments, returns and business activities in connection with the investment.

2. Nationals and companies of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to nationals and companies of such other Contracting Party in respect of investments, returns and business activities in connection with the investment.

3. The term "business activities in connection with the investment" referred to in the provisions of paragraphs 1 and 2 of the present Article includes:

- (a) the maintenance of branches, agencies, offices, factories and other establishments appropriate to the conduct of business activities;
- (b) the control and management of companies which they have established or acquired;
- (c) the employment of accountants and other technical experts, executive personnel, attorneys, agents and other specialists; and
- (d) the making and performance of contracts.

4. The provisions of paragraphs 1 and 2 of the present Article shall not be construed so as to oblige either Contracting Party to extend to nationals and companies of the other

Contracting Party special tax advantages accorded on the basis of reciprocity with a third country or by virtue of agreements for the avoidance of double taxation or for the prevention of fiscal evasion.

5. Notwithstanding the provisions of paragraph 2 of the present Article, either Contracting Party may prescribe special formalities in connection with the activities of foreign nationals and companies within its territory, provided that such formalities may not impair the substance of the rights set forth in the provisions of paragraph 2 of the present Article.

Article 4

Nationals and companies of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to nationals and companies of such other Contracting Party or to nationals and companies of any third country with respect to access to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction both in pursuit and in defence of their rights.

Article 5

1. Investments and returns of nationals and companies of either Contracting Party shall receive the most constant protection and security within the territory of the other Contracting Party.

2. Investments and returns of nationals and companies of either Contracting Party shall not be subjected to expropriation, nationalization or any other measure the effect of which would be tantamount to expropriation or nationalization, within the territory of the other Contracting Party