

No. 52217*

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

Agreement on reciprocal promotion and protection of investments between the Government of the Republic of Cyprus and the Government of the Islamic Republic of Iran. Tehran, 2 March 2009

Entry into force: 4 May 2012, in accordance with article 13

Authentic texts: English, Greek and Persian

Registration with the Secretariat of the United Nations: Cyprus, 7 October 2014

**No UNTS volume number has yet been determined for this record. The Text(s) reproduced below, if attached, are the authentic texts of the agreement /action attachment as submitted for registration and publication to the Secretariat. For ease of reference they were sequentially paginated. Translations, if attached, are not final and are provided for information only.*

**Chypre
et
Iran (République islamique d')**

Accord entre le Gouvernement de la République de Chypre et le Gouvernement de la République islamique d'Iran pour la promotion et la protection réciproques des investissements. Téhéran, 2 mars 2009

Entrée en vigueur : 4 mai 2012, conformément à l'article 13

Textes authentiques : anglais, grec et persan

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : Chypre, 7 octobre 2014

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[ENGLISH TEXT – TEXTE ANGLAIS]

AGREEMENT

ON RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE REPUBLIC OF CYPRUS AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN

PREAMBLE

The Government of the Republic of Cyprus 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 favourable conditions for investments of the nationals of the Contracting Parties in each others’ territory and;

Recognizing the need to promote and protect investments of the investors of the Contracting Parties in each others’ 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 asset, 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 and pledges;
- (b) shares or any kind of participation in companies or enterprises;
- (c) title to money or to any performance having economic value and associated with an investment;
- (d) intellectual property rights such as patent; utility models, industrial designs or models, trade marks and names, know-how and goodwill;
- (e) rights to perform economic activities conferred by law or by virtue of a contract, including 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 constituted or incorporated in compliance with the law of that Contracting Party and having their seat together with real economic activities in the territory of the same Contracting Party.

3. The terms “returns” refers to the amounts legally yielded by an investment including profit derived from investments, dividends, capital gains, charges, royalties and fees.

4. The term “territory”:

In the case of the Republic of Cyprus refers to its land territory and territorial waters as well as the exclusive economic zone and the continental shelf that extend outside the limits of the territorial waters over which it has or may have jurisdiction and/or sovereign rights, pursuant to international law.

In the case of the Islamic Republic of Iran refers to areas under its sovereignty or jurisdiction, as the case may be and includes their maritime areas.

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 natural and legal persons 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.
3. A possible change in the form in which the investment has been made does not affect their character as investments, provided this change is in conformity with the laws and regulations of the host Contracting Party. The alteration or transformation of an investment is to be considered a new investment.

ARTICLE 4
PROTECTION OF INVESTMENTS

1. Investments of natural and legal persons of either Contracting Party effected within the territory of the other Contracting Party, shall receive the host Contracting Party's full legal protection and fair treatment not less favourable than that accorded to its own investors or of any third State whichever is more favourable to the investor concerned.

2. If a Contracting Party has accorded or shall accord in future special advantages or rights to investors of any third state by virtue of an existing or future agreement establishing a free trade area, a customs union, a common market or a similar regional organization and/or by virtue of an arrangement on the avoidance of double taxation, it shall not be obliged to accord such advantages or rights to investors of the other Contracting Party.
3. Nothing in this Agreement shall prevent either Contracting Party from applying new measures adopted within the framework of one of the forms of regional cooperation referred to in paragraph 2 of this Article which replace the measure previously applied by that Contracting Party.

ARTICLE 5

MORE FAVOURABLE PROVISIONS

Notwithstanding the terms set forth in this Agreement, more favourable provisions which have been or may be agreed upon by either of the Contracting Parties with an investor of the other Contracting Party are applicable.

ARTICLE 6

EXPROPRIATION AND COMPENSATION

1. Investments of natural and legal persons of either Contracting Party shall not be nationalized, confiscated, expropriated or subjected, to similar measures by the other Contracting Party except if such measures are taken for public interest, in accordance with due process of law, in a non-discriminatory manner and effective and appropriate compensation is envisaged. The amount of compensation shall be paid without delay otherwise it shall include related charges, in accordance with international practice, from the date of expropriation until the date of payment.
2. The amount of compensation shall be equivalent to the fair market value of the investment immediately before the action of nationalization, confiscation or expropriation was taken or became publicly known, whichever is earlier.