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**Switzerland
and
Georgia**

Agreement between the Swiss Confederation and Georgia on the promotion and reciprocal protection of investments (with protocol). Tbilisi, 3 June 2014

Entry into force: *17 April 2015 by notification, in accordance with article 14*

Authentic texts: *English, French and Georgian*

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**Suisse
et
Géorgie**

Accord entre la Confédération suisse et la Géorgie concernant la promotion et la protection réciproque des investissements (avec protocole). Tbilissi, 3 juin 2014

Entrée en vigueur : *17 avril 2015 par notification, conformément à l'article 14*

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Agreement
between the Swiss Confederation and Georgia
on the Promotion and Reciprocal Protection of Investments

Preamble

The Swiss Confederation and Georgia, hereinafter referred to as the “Contracting Parties”,

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

Intending to create and maintain favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing the need to promote and protect foreign investments with the aim to foster the economic prosperity and sustainable development of both States,

Convinced that these objectives can be achieved without relaxing health, safety, labour and environmental standards of general application,

Affirming the mutual supportiveness of investment, environment and labour policies in this respect,

Reaffirming their commitment to democracy, the rule of law, human rights and fundamental freedoms in accordance with their obligations under international law,

Determined to encourage investors to respect internationally recognized corporate social responsibility standards and principles,

Confirming their commitment to prevent and combat corruption in international investment,

Have agreed as follows:

Article 1

Definitions

For the purpose of this Agreement:

- (1) The term "investor" refers with regard to either Contracting Party to:
- (a) natural persons who, within the meaning of the law of that Contracting Party, are considered to be its nationals;
 - (b) legal entities, including companies, corporations, business associations and other organisations, which are constituted or otherwise duly organised under the law of that Contracting Party and have their seat, together with substantial business activities, in the territory of that Contracting Party;
 - (c) legal entities not established under the law of that Contracting Party but effectively controlled by natural persons as defined in (a) above or by legal entities as defined in (b) above.

- (2) The term "investment" means any kind of tangible or intangible asset invested in the territory of one Contracting Party by investors of the other Contracting Party in accordance with the legislation of the former Contracting Party, and includes in particular:
- (a) movable and immovable property as well as any other rights in rem, such as servitudes, mortgages, liens, pledges and usufructs;
 - (b) shares, parts or any other kind of participation in companies;
 - (c) claims to money or to any performance having an economic value, except claims to money arising solely out of commercial contracts for the sale of goods and services;
 - (d) copyrights, industrial property rights (such as patents, utility models, industrial designs or models, trade or service marks, trade names, indications of origin), know-how and goodwill; and
 - (e) concessions under public law, including concessions to search for, extract or exploit natural resources as well as all other rights given by law, by contract or by decision of the authority in accordance with the law.

In order to qualify as an investment for the purposes of this Agreement, an asset must have the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, and the assumption of risk.

- (3) The term "return" means the amounts yielded by an investment and includes in particular, profits, interest, capital gains, dividends, royalties and fees.
- (4) The term "territory" means:
- In respect of Georgia:
the territory within the internationally recognized state borders of Georgia, including land territory, internal waters and territorial sea, the air space above them as well as the contiguous zone, the exclusive economic zone and the continental shelf adjacent to its territorial sea, in respect of which Georgia may exercise its sovereign rights in accordance with international law.
 - In respect of the Swiss Confederation:
the territory of Switzerland as designated in its laws in accordance with international law.

Article 2

Scope of application

The present Agreement shall apply to investments in the territory of one Contracting Party made in accordance with its legislation by investors of the other Contracting Party, whether prior to or after the entry into force of the Agreement. It does however not apply to claims or disputes arising out of events which occurred prior to its entry into force.

Article 3

Promotion, admission

- (1) Each Contracting Party shall in its territory encourage investments by investors of the other Contracting Party, including through the exchange of information between the Contracting Parties on investment opportunities, and admit such investments in accordance with its legislation.
- (2) Each Contracting Party shall facilitate, in accordance with its legislation, the issuing of the necessary permits in connection with an investment, including permits for the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance, as well as authorizations required for the activities of consultants and experts.
- (3) The Contracting Parties recognize that it is inappropriate to weaken or reduce the level of protection provided by domestic health, safety, labour or environmental laws, regulations or standards with the sole intention to encourage investment. Accordingly, a Contracting Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws, regulations or standards in order to encourage investment of an investor from the other Contracting Party.

Article 4

Protection, treatment

- (1) Investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, or disposal of such investments.
- (2) Each Contracting Party shall in its territory accord investments of investors of the other Contracting Party treatment not less favourable than that which it accords to investments of its own investors or to investments of investors of any third State, whichever is more favourable to the investor concerned.
- (3) Each Contracting Party shall in its territory accord investors of the other Contracting Party, as regards the management, maintenance, use, enjoyment or disposal of their investments, treatment not less favourable than that which it accords to its own investors or investors of any third State, whichever is more favourable to the investor concerned.
- (4) If a Contracting Party accords special advantages to investors of any third State by virtue of an agreement establishing a free trade area, a customs union or a common market or by virtue of an agreement on the avoidance of double taxation, it shall not be obliged to accord such advantages to investors of the other Contracting Party.
- (5) It is understood that the most favoured nation treatment as referred to in paragraphs 2 and 3 does not apply to mechanisms for the settlement of investment disputes provided for in this or other international agreements concluded by the Contracting Party concerned.

Article 5

Free transfer

- (1) Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant those investors the free transfer of the amounts relating to these investments without delay, in particular of:
 - (a) returns;
 - (b) repayments of loans;
 - (c) amounts assigned to cover expenses relating to the management of the investment;
 - (d) royalties and other payments deriving from rights enumerated in Article 1, paragraph (2), letters (c), (d) and (e) of this Agreement;
 - (e) additional contributions of capital necessary for the maintenance or development of the investment;
 - (f) the proceeds of the partial or total sale or liquidation of the investment, including possible increment values.
- (2) For the avoidance of doubt it is confirmed that a Contracting Party may delay and/or prevent a transfer through the equitable, non-discriminatory, and good faith application of measures relating to any fiscal obligation, protection of rights of creditors or compliance with judicial or administrative judgments.

Article 6

Dispossession, compensation

- (1) Neither of the Contracting Parties shall take, either directly or indirectly, measures of expropriation, nationalization or any other measures having the same nature or the same effect against investments of investors of the other Contracting Party, unless the measures are taken in the public interest, on a non-discriminatory basis, and under due process of law, and provided that provisions be made for effective and adequate compensation. Such compensation shall amount to the market value of the investment expropriated immediately before the expropriatory action was taken or became public knowledge, whichever is earlier. The amount of compensation, interest at a normal commercial rate included, shall be settled in a freely convertible currency and paid without delay to the person entitled thereto without regard to its residence or domicile.
- (2) The investors of one Contracting Party whose investments have suffered losses due to a war or any other armed conflict, revolution, state of emergency or rebellion, which took place in the territory of the other Contracting Party shall benefit, on the part of this latter, from a treatment in accordance with Article 4 of this Agreement as regards restitution, indemnification, compensation or other settlement.