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**Israel
and
Japan**

Agreement between the State of Israel and Japan for the liberalization, promotion and protection of investment (with annexes). Tokyo, 1 February 2017

Entry into force: *5 October 2017, in accordance with article 28*

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**Israël
et
Japon**

Accord entre l'État d'Israël et le Japon pour la libéralisation, la promotion et la protection des investissements (avec annexes). Tokyo, 1^{er} février 2017

Entrée en vigueur : *5 octobre 2017, conformément à l'article 28*

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[ENGLISH TEXT – TEXTE ANGLAIS]

AGREEMENT BETWEEN
THE STATE OF ISRAEL AND JAPAN
FOR THE LIBERALIZATION,
PROMOTION AND PROTECTION OF INVESTMENT

The Government of the State of Israel and the Government of Japan respectively on behalf of the State of Israel and Japan (hereinafter referred to as "the Contracting Parties"),

Desiring to further promote investment in order to strengthen the economic relationship between the Contracting Parties;

Intending to further create stable, equitable, favorable and transparent conditions for greater investment by investors of one Contracting Party in the Territory of the other Contracting Party;

Recognizing the growing importance of the progressive liberalization of investment for stimulating initiative of investors and for promoting prosperity in both Contracting Parties; and

Recognizing that these objectives can be achieved without relaxing health, safety and environmental measures of general application;

Have agreed as follows:

SECTION I
INVESTMENT

Article 1
Definitions

For the purposes of this Agreement:

- (a) the term "investment" means every kind of asset made in accordance with applicable laws and regulations, owned or controlled, directly or indirectly, by an investor, including:
 - (i) an enterprise and a branch of an enterprise;
 - (ii) shares, stocks or other forms of equity participation in an enterprise;

- (iii) bonds, debentures, loans and other forms of debt;
- (iv) futures, options and other derivatives;
- (v) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts;
- (vi) claims to money and to any performance under contract having a financial value;
- (vii) intellectual property rights and goodwill;
- (viii) concessions, licenses, authorizations, permits and similar rights conferred by laws and regulations or under contracts, including those for the exploration and exploitation of natural resources; and
- (ix) any other movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges;

An investment includes the amounts yielded by an investment, in particular, profit, interest, capital gains, dividends, royalties and fees. A change in the form in which assets are invested does not affect their character as an investment.

Note: For the avoidance of doubt in this Article, an investment does not include:

- (i) public debt; or
- (ii) claims to money arising solely from:
 - (A) commercial contracts for the sale of goods or services by a national or an enterprise in the Territory of a Contracting Party to a national or an enterprise in the Territory of the other Contracting Party; or
 - (B) credits granted in relation with a commercial transaction under a contract referred to in (ii) (A) of this note;

- (b) the term "investment agreement" means a written agreement between the central or local government or authority of a Contracting Party and an investor of the other Contracting Party or its investment that is an enterprise in the Territory of the former Contracting Party, on which the investor or the investment relies in establishing or acquiring an investment in the former Contracting Party;

Note: Written agreement refers to an agreement in writing, executed by both parties, whether in a single instrument or in multiple instruments, that creates an exchange of rights and obligations, binding on both parties.

For greater certainty:

- (i) a unilateral act of an administrative or judicial authority, such as a permit, license, concession or authorization issued by a Contracting Party solely in its regulatory capacity, or a decree, order, or judgment, standing alone; and
- (ii) an administrative or judicial consent decree or order,

shall not be considered a written agreement.

- (c) the term "investor of a Contracting Party" means:

- (i) (A) with respect to Japan: a natural person who is a national of Japan and who is not also a national of the State of Israel; and
- (B) with respect to the State of Israel: a natural person who is a national or permanent resident of the State of Israel and who is not also a national of Japan; or
- (ii) an enterprise of that Contracting Party, that seeks to make, is making or has made investments in the Territory of the other Contracting Party;

- (iii) notwithstanding subparagraph (c)(i)(A), a natural person who is a national of Japan and who is also a permanent resident of the State of Israel shall not be a claimant;
- (d) the term "enterprise" means any legal person or any other entity duly constituted or organized under the applicable laws and regulations, whether or not for profit, and whether private or government owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organization or company;
- (e) the term "enterprise of a Contracting Party" means an enterprise:
 - (i) duly constituted or organized under the applicable laws and regulations of that Contracting Party; and
 - (ii) carrying out substantial business activities in the Territory of the Contracting Party;
- (f) the term "investment activities" means establishment, acquisition, expansion, operation, management, maintenance, use, enjoyment and sale or other disposal of investments;
- (g) the term "Territory" means:
 - (i) with respect to Japan: the territory of Japan, and the exclusive economic zone and the continental shelf with respect to which Japan exercises sovereign rights or jurisdiction in accordance with international law; and
 - (ii) with respect to the State of Israel: the territory of the State of Israel including the territorial sea as well as the continental shelf and the exclusive economic zone, over which the State of Israel exercises sovereignty, sovereign rights or jurisdiction in accordance with international law and the laws of the State of Israel;
- (h) the term "existing" means being in effect on the date of entry into force of this Agreement;