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

Agreement between Japan and the Islamic Republic of Iran on reciprocal promotion and protection of investment. Tokyo, 5 February 2016

Entry into force: *26 April 2017, in accordance with article 21*

Authentic texts: *English, Japanese and Persian*

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

Accord entre le Japon et la République islamique d'Iran concernant la promotion et la protection réciproque des investissements. Tokyo, 5 février 2016

Entrée en vigueur : *26 avril 2017, conformément à l'article 21*

Textes authentiques : *anglais, japonais et persan*

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[ENGLISH TEXT – TEXTE ANGLAIS]

AGREEMENT BETWEEN
JAPAN AND THE ISLAMIC REPUBLIC OF IRAN
ON RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENT

Preamble

Japan and the Islamic Republic of Iran (hereinafter referred to as the "Contracting Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both Contracting Parties;

Intending to utilise their economic resources and potential facilities in the area of investment as well as to create and maintain favourable conditions for investment by the investors of the Contracting Parties in each other's Territory; and

Recognising the need to promote and protect investment by the investors of the Contracting Parties in each other's Territory;

Have agreed as follows:

Article 1
Definitions

For the purpose of this Agreement, the meanings of the terms used therein are as follows:

1. The term "investment" refers to every kind of asset, invested directly or indirectly by an investor of a Contracting Party in the Territory of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party, including the following:

- (a) an enterprise and a branch of an enterprise;
- (b) shares, stocks or other forms of equity participation in an enterprise;
- (c) bonds, debentures, loans and other forms of debt;
- (d) futures, options and other derivatives;
- (e) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts;

- (f) claims to money and to any performance under contract having a financial value;
- (g) intellectual property rights, including copyrights and related rights, patent rights and rights relating to utility models, trademarks, industrial designs, layout-designs of integrated circuits, new varieties of plants, trade names, indications of source or geographical indications and undisclosed information;
- (h) rights conferred pursuant to laws and regulations or contracts such as concessions, licences, authorisations, and permits, including those for the exploration and exploitation of natural resources; and
- (i) any other tangible and intangible, movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges.

The term "investment" shall also refer to the amounts yielded by an investment, in particular, profit, capital gains, dividends, royalties and fees. A change in the form in which assets are invested does not affect their character as an investment.

2. The term "investor of a Contracting Party" refers to the following person or enterprise of a Contracting Party who makes an investment in the Territory of the other Contracting Party:

- (a) a natural person who, according to the laws and regulations of the former Contracting Party, is considered to be its national; or
- (b) an enterprise which is established under the laws and regulations of the former Contracting Party and whose headquarters or whose real economic activities are located in the Territory of that Contracting Party.

3. The term "enterprise" refers to any legal person or any other entity duly constituted or organised under the applicable laws and regulations, whether or not for profit, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organisation or company.

4. The term "investment activities" refers to operation, management, maintenance, use, enjoyment and sale or other disposal of investments.

5. The term "freely usable currency" refers to freely usable currency as defined under the Articles of Agreement of the International Monetary Fund.

6. The term "Territory" refers to areas under the sovereignty of either Contracting Party, as the case may be, including territorial sea, and the exclusive economic zone and the continental shelf over which either Contracting Party exercises sovereign rights or jurisdiction in accordance with international law.

Article 2 Promotion of Investment

1. Either Contracting Party shall encourage its investors to invest in the Territory of the other Contracting Party.

2. Either Contracting Party shall, in accordance with its laws and regulations, create favourable conditions for attraction of investment by investors of the other Contracting Party in its Territory.

Article 3 Admission of Investment

1. Either Contracting Party shall, subject to its rights to exercise powers in accordance with its applicable laws and regulations, including those with regard to foreign ownership and control, admit investment by investors of the other Contracting Party.

2. This Agreement shall apply to investment approved by the competent authority of the host Contracting Party, if such approval is required by its laws and regulations. The competent authority in the Islamic Republic of Iran is Organization for Investment, Economic and Technical Assistance of Iran or any other authority which may succeed it.

Article 4
Protection of Investment

1. Each Contracting Party shall in its Territory accord to investors of the other Contracting Party and to their investments treatment no less favourable than that it accords in like circumstances to its own investors and their investments or to investors of any non-Contracting party and their investments with respect to investment activities, whichever is more favourable to the investor.

2. If a Contracting Party has accorded or would accord in future special advantages or rights to investors of any non-Contracting party by virtue of any agreement establishing a free trade area, a customs union, a common market or a similar regional organisation or by virtue of any convention for the avoidance of double taxation, it shall not be obliged to accord such advantages or rights to investors of the other Contracting Party.

3. Paragraph 1 does not prevent either Contracting Party from differentiating between treatments accorded in accordance with its laws and regulations relating to taxes.

Article 5
General Treatment

Investments of investors of a Contracting Party shall, at all times, be accorded fair and equitable treatment and shall enjoy full protection and security in Territory of the other Contracting Party. The concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens.

Article 6
Observance of Obligations

Either Contracting Party shall observe any obligation it has entered into with respect to investments of investors of the other Contracting Party.

Article 7
Performance Requirements

A Contracting Party shall not, in its Territory, impose in connection with investment activities, any measures, which are not discriminatory, on investment by investors of the other Contracting Party concerning export requirements, export-import balancing requirements or export restrictions.