

**AGREEMENT**  
**BETWEEN**  
**THE REPUBLIC OF TURKEY**  
**AND**  
**THE SLOVAK REPUBLIC**  
**CONCERNING**  
**THE RECIPROCAL PROMOTION AND PROTECTION OF**  
**INVESTMENTS**

The Republic of Turkey and the Slovak Republic, hereinafter referred to as "the Contracting Parties".

Desiring to promote greater economic cooperation between them, particularly with respect to investment by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that agreement upon the treatment to be accorded such investment will stimulate the flow of capital, know-how and technology and the economic development of the Contracting Parties;

Agreeing that fair and equitable treatment of investment is desirable in order to maintain a stable framework for investment and maximum effective utilization of economic resources; and

Convinced that these objectives can be achieved without relaxing health, safety and environmental measures of general application as well as internationally recognized labor rights,

Having resolved to conclude an agreement concerning the encouragement and reciprocal protection of investments,

Have agreed as follows:

## ARTICLE 1 Definitions

For the purpose of this Agreement;

1. The term "investment" means every kind of asset directly invested by the investors of a Contracting Party, connected with business activities, and acquired for the purpose of establishing lasting economic relations in the territory of the other Contracting Party in accordance with its laws and regulations, and shall include in particular, but not exclusively:
  - a) movable and immovable property, as well as any other rights as mortgages, liens, pledges and any other similar rights as defined in accordance with the laws and regulations of the Contracting Party in whose territory the property is situated,
  - b) reinvested returns, claims to money or any other rights having financial value related to an investment.
  - c) shares, stocks or any other form of participation in companies,
  - d) industrial and intellectual property rights such as copyrights, patents, industrial designs, technical processes, as well as trademarks, goodwill, know-how and other similar rights as defined in accordance with the laws and regulations of the Contracting Parties,
  - e) business concessions conferred by law or by contract, including concessions related to natural resources;

provided that such investments are not in the nature of acquisition of shares representing less than 10 percent of a company through stock exchanges which shall not be covered by this Agreement.

Any alternation of the form in which assets are invested or reinvested shall not affect their classification as an investment, provided that such alteration is not in conflict with the laws and regulations of the Contracting Party in the territory of which the investment is made.

2. The term "investor" means:
  - a) natural persons deriving their status as nationals of a Contracting Party according to its laws,
  - b) companies, corporations, firms, business partnerships incorporated or constituted under the law in force of a Contracting Party and having their

registered seats together with their real economic activities in the territory of that Contracting Party,

who have made an investment in the territory of the other Contracting Party.

3. The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profit, interest, capital gains, royalties, fees and dividends.
4. The "territory" means:
  - a) as regards the Republic of Turkey; territory, territorial sea, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purposes of exploration, exploitation and conservation of natural resources, pursuant to international law.
  - b) as regards the Slovak Republic; the land territory, internal waters and the air space above them, over which it exercises its sovereignty, sovereign rights and jurisdiction in accordance with international law.
5. The term "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

## **ARTICLE 2**

### **Promotion and Protection of Investments**

1. Each Contracting Party shall in its territory promote as far as possible investments by investors of the other Contracting Party.
2. Investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection 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.

## **ARTICLE 3**

### **National and Most Favored-Nation Treatment**

1. Each Contracting Party shall admit in its territory investments, on a basis no less favourable than that accorded in similar situations to investments of investors of any third State, within the framework of its laws and regulations.
2. Each Contracting Party shall accord to these investments, once established, and activities associated therewith, treatment no less favourable than that accorded in

similar situations to investments of its investors or to investments of investors of any third State, whichever is the most favourable.

3. Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable.
4. Paragraphs 2 and 3 of this Article do not apply in respect of procedural rights laid down simultaneously by this Agreement and by any other similar international agreement to which one of the Contracting Parties is signatory.
5. Subject to the laws and regulations of either Contracting Party relating to the entry, sojourn and employment of aliens;
  - a) nationals of either Contracting Party shall be permitted to enter and to remain in the territory of the other Contracting Party for the purpose of establishing, developing, administering or advising on the operation of an investment to which they, or an investor of the first Contracting Party that employs them, have committed and/or are in the process of committing the required amount of capital or required value of other resources,
  - b) companies which are legally constituted under the applicable laws and regulations of one Contracting Party and which are investments of investors of the other Contracting Party, shall be permitted to engage managerial and technical personnel of their choice, regardless of nationality.
6. The provisions of Paragraph 2 and 3 of this Article shall not be construed to prevent the Republic of Turkey from adopting, maintaining, or enforcing any non-discriminatory measures with regard to acquisition of land and real estates, and real rights upon them by the investors of the other Contracting Party.
7. Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting, maintaining, or enforcing any non-discriminatory measures:
  - a) necessary for the protection of human, animal or plant life or health, or the environment;
  - b) related to the conservation of living or non-living exhaustible natural resources.
8. The Provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of any international agreement or arrangement relating wholly or mainly to taxation.

9. The non-discrimination, national treatment and most-favored nation treatment provisions of this Agreement shall not apply to all actual or future advantages accorded by either Contracting Party by virtue of its membership in, or association with a customs, economic or monetary union, a common market or a free trade area to nationals or companies of its own, of Member States of such union, common market or free trade area, or of any other third State.

**ARTICLE 4**  
**Essential security interests**

Nothing in this Agreement shall be construed:

- a) to require any Contracting Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests;
- b) to prevent any Contracting Party from taking any actions that it considers necessary for the protection of its essential security interests,
  - i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;
  - ii) taken in time of war or other emergency in international relations;or
  - iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices; or
- c) to prevent any Contracting Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.
- d) to prevent any Contracting Party from taking action to ensure the integrity and stability of a financial system of one of the Contracting Parties.

**ARTICLE 5**  
**Expropriation and Compensation**

1. Investments shall not be expropriated, nationalized or subject, directly or indirectly, to measures of similar effects (hereinafter referred as "expropriation") except for a public purpose, in a non-discriminatory manner, upon payment of prompt, adequate and effective compensation, and in accordance with due process

of law and the general principles of treatment provided for in Article 3 of this Agreement.

2. Non-discriminatory legal measures in accordance with the laws and regulations of a Contracting Party designed and applied to protect legitimate public welfare objectives, such as health, safety and environment, do not constitute indirect expropriation and are not subject therefore to any compensation requirements.
3. Compensation shall be equivalent to the fair market value of the expropriated investment before the expropriation was taken or became public knowledge. Compensation shall be paid without delay and be freely transferable as described in paragraph 2 Article 7.
4. In the event that payment of compensation is delayed, it shall carry an interest at a rate to be agreed upon by both parties unless such rate is prescribed by law from the date of expropriation until the date of payment.
5. Investors of one Contracting Party affected by expropriation shall have a right to prompt review by a judicial or other independent authority of the other Contracting Party of their case and of the valuation of their investments in accordance with the principles set out in this Article.

#### **ARTICLE 6** **Compensation for Losses**

Investors of either Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, insurrection, civil disturbance, a state of national emergency, or other similar events shall be accorded by such other Contracting Party treatment as regards restitution, indemnification, compensation or other forms of settlement, no less favourable than that accorded to its own investors or to investors of any third State, whichever is the most favourable treatment.

#### **ARTICLE 7** **Repatriation and Transfer**

1. Upon fulfillment of all tax obligations, each Contracting Party shall permit in good faith all transfers related to an investment to be made freely and without delay into and out of its territory. Such transfers include:
  - a) returns,
  - b) proceeds from the sale or liquidation of all or any part of an investment,
  - c) compensation pursuant to Article 5 and 6,

- d) reimbursements and interest payments deriving from loans in connection with investments,
  - e) salaries, wages and other remunerations received by the nationals of one Contracting Party who have obtained in the territory of the other Contracting Party the corresponding work permits related to an investment,
  - f) payments arising from an investment dispute.
  - g) additional funds to establish, maintain, develop or increase an investment.
2. Transfers shall be made in the convertible currency in which the investment has been made or in any freely convertible currency at the rate of exchange in force at the date of transfer, unless otherwise agreed by the investor and the hosting Contracting Party.
3. Notwithstanding paragraphs (1) and (2) above, a Contracting Party may adopt or maintain measures relating to cross-border capital and payment transactions, including those of the European Community, and particularly but not limited to the following cases:
- a) in the event of serious balance of payments and external financial difficulties or threat thereof; or
  - b) in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies; or
  - c) in the exceptional cases of economic sanctions.
4. Measures referred to in paragraph (3) of this Article:
- a) shall not exceed those necessary to deal with the circumstances set out in paragraph 3 of this Article;
  - b) shall be temporary and be eliminated as soon as conditions permit; and
  - c) shall be promptly notified to the other Contracting Party.

#### **ARTICLE 8** **Subrogation**

1. If the investment of an investor of one Contracting Party is insured against non-commercial risks under a system established by law, any subrogation of the insurer, which stems from the terms of the insurance agreement between the investor and the insurer, shall be recognized by the other Contracting Party.

2. The insurer is entitled by virtue of subrogation to exercise the rights and enforce the claims of that investor and shall assume the obligations related to the investment. The subrogated rights or claims shall not exceed the original rights or claims of the investor.
3. Disputes between a Contracting Party and an insurer shall be settled in accordance with the provisions of Article 9 of this Agreement.

#### **ARTICLE 9**

#### **Settlement of Disputes Between One Contracting Party and Investors of the Other Contracting Party**

1. Any disputes between one of the Contracting Parties and an investor of the other Contracting Party, in connection with his investment, shall be notified in writing, including detailed information, by the investor to the recipient Contracting Party of the investment. As far as possible, the investor and the concerned Contracting Party shall endeavor to settle these disputes by consultations and negotiations in good faith.
2. If these disputes cannot be settled in this way within six (6) months following the date of the written notification mentioned in paragraph 1, the dispute can be submitted, as the investor may choose, to:
  - a) the competent court of the Contracting Party in whose territory the investment has been made,
  - b) the International Center for Settlement of Investment Disputes (ICSID) set up by the " Convention on Settlement of Investment Disputes Between States and Nationals of other States", provided that both Contracting Parties are signatories of this Convention,
  - c) an ad hoc court of arbitration laid down under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL).
3. Once the investor has submitted the dispute to the one of the dispute settlement procedures mentioned in paragraph 2 of this Article, the choice of one of these procedures shall be final.
4. Notwithstanding the provisions of paragraph 2 of this Article, and in accordance with the notification of the Republic of Turkey to ICSID submitted on March 3, 1989;
  - a) only the disputes arising directly out of investment activities which have obtained necessary permission, if any, in conformity with the relevant legislation of the Republic of Turkey on foreign capital, and that effectively started shall be subject to the jurisdiction of the International Center for



Settlement of Investment Disputes (ICSID) or any other international dispute settlement mechanism as agreed upon by the Contracting Parties;

- b) the disputes, related to the property and real rights upon the real estates are totally under the jurisdiction of the Turkish courts and therefore shall not be submitted to jurisdiction of the International Center for Settlement of Investment Disputes (ICSID) or any other international dispute settlement mechanism; and
- c) with regard to the Article 64 of the "Convention on the Settlement of Investment Disputes between States and Nationals of other States":

The Republic of Turkey shall not accept the referral of any disputes arising between the Republic of Turkey and any other Contracting State concerning the interpretation or application of "Convention on the Settlement of Investment Disputes between States and Nationals of other States", which is not settled by negotiation, to the International Court of Justice.

- 5. The arbitral tribunal shall decide on the basis of the law, taking into account sources of the law in the following sequence:
  - a) the provisions of this Agreement;
  - b) other relevant Agreements between the Contracting Parties;
  - c) the national laws and regulations of the Contracting Party in whose territory the investment was made, including the rules related to conflicts of law;
  - d) the provisions of specific agreements concluded in relation to the particular investment involved.
- 6. At any stage of the arbitration proceedings or of the execution of an arbitral award, none of the Contracting Parties involved in a dispute shall be entitled to raise as an objection the fact that the investor who is the opposing party in the dispute has received compensation totally or partly covering his losses pursuant to an insurance policy or to the guarantee provided for in Article 8 of this Agreement. A dispute shall, however, not be submitted to international arbitration by the insurer under the provisions of this Article, if the same dispute has been brought before international arbitration by the investor.
- 7. The arbitration awards shall be final and binding for all parties in dispute. Each Contracting Party commits itself to execute the award according to its national law.

**ARTICLE 10**  
**Settlement of Disputes Between The Contracting Parties**

1. The Contracting Parties shall seek in good faith and a spirit of cooperation a prompt and fair solution to any dispute between them concerning the interpretation or application of this Agreement.
2. If the Contracting Parties cannot reach an agreement within six (6) months after the beginning of disputes between themselves through the foregoing procedure, the disputes may be submitted, upon the request of either Contracting Party, to an arbitral tribunal of three members.
3. The arbitral tribunal shall be constituted for each individual case in following way. Within two (2) months of receipt of a request, each Contracting Party shall appoint an arbitrator. These two arbitrators shall select a third arbitrator as Chairman (hereinafter referred as the "Chairman"), who is a national of a third State. In the event either Contracting Party fails to appoint an arbitrator within the specified time, the other Contracting Party may request the President of the International Court of Justice to make the appointment.
4. If both arbitrators cannot reach an agreement about the choice of the Chairman within two (2) months after their appointment, the Chairman shall be appointed upon the request of either Contracting Party by the President of the International Court of Justice.
5. If, in the cases specified under paragraphs (3) and (4) of this Article, the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the Vice-President of the International Court of Justice, and if the Vice-President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the most senior member of the of the International Court of Justice who is not a national of either Contracting Party.
6. In the absence of an agreement on the rules of procedure, the arbitral tribunal shall request the President of the International Court of Justice to designate rules of procedure, taking into account generally recognized rules of international arbitral procedure.
7. The arbitral tribunal shall reach its decisions, which shall be final and binding, by a majority of votes.
8. Expenses incurred by the Chairman, the other arbitrators, and other costs of the proceedings shall be paid for equally by the Contracting Parties. The arbitral tribunal may, however, at its discretion, decide that a higher proportion of the costs be paid by one of the Contracting Parties.

9. A dispute shall not be submitted to an international arbitration court under the provisions of this Article, if the same dispute has been brought before another international arbitration court under the provisions of Article 9 and is still before the court. This will not impair the engagement in direct and meaningful negotiations between both Contracting Parties.

#### **ARTICLE 11** **Scope of Application**

This Agreement shall apply to investments in the territory of one Contracting Party, made in accordance with its national laws and regulations, by investors of the other Contracting Party, whether prior to, or after the entry into force of the present Agreement. Nevertheless, the present Agreement shall not apply to any dispute concerning an investment which was already under judicial or arbitral process before its entry into force.

#### **ARTICLE 12** **Entry into Force**

1. Each Contracting Party shall notify the other in writing of the completion of the constitutional formalities required in its territory for the entry into force of this Agreement. This Agreement shall enter into force on the 90th day after the date of the latter of the two notifications. It shall remain in force for a period of ten (10) years and shall continue in force unless terminated in accordance with paragraph 2 of this Article.
2. Either Contracting Party may, by giving one year's written notice to the other Contracting Party, terminate this Agreement at the end of the initial ten-year period or at any time thereafter.
3. This Agreement may be amended by written agreement between the Contracting Parties. Any amendment shall enter into force when each Contracting Party has notified the other that it has completed all internal requirements for entry into force of such amendment.
4. With respect to investments made or acquired prior to the date of termination of this Agreement and to which this Agreement otherwise applies, the provisions of all of the other Articles of this Agreement shall thereafter continue to be effective for a further period of ten (10) years from such date of termination.
5. This Agreement substitutes and replaces the Agreement between the Republic of Turkey and the Slovak Republic Concerning the Reciprocal Promotion and Protection of Investments, signed on October 9, 2000 in Ankara, which will be terminated on the date of entry into force of this Agreement. The disputes submitted to arbitration after the date of the entry into force of this Agreement shall be settled in accordance with the provisions of this Agreement.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Agreement.

DONE at Ankara on the day of Oct, 13, 2009 in duplicate in the Slovak, Turkish and English languages all of which are equally authentic.

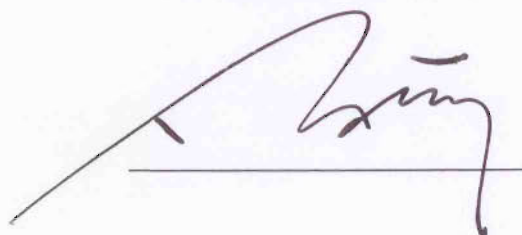
In case of any conflict of interpretation, the English text shall prevail.

**For  
the Slovak Republic**



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**For  
the Republic of Turkey**



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