

2. In case the investor and one of the Contracting Parties have stipulated an investment agreement, the procedure foreseen in such investment agreement shall apply.
  
3. In the event that such dispute cannot be settled amicably within six months from the date of the written application for settlement, the investor may submit at his choice the dispute for settlement to:
  - a) the Contracting Party's Court having territorial jurisdiction;
  - b) an "ad hoc" Arbitration Tribunal, in compliance with the arbitration regulation of the United Nations Commission on the International Trade Law (UNCITRAL). The host Contracting Party undertakes hereby to accept the said arbitration.
  - c) the International Centre for Settlement of Investment Disputes, for the implementation of the arbitration procedures under the Washington Convention of 18 March, 1965, on the settlement of investment disputes between States and nationals of other States, if or as soon as both the Contracting Parties have acceded to it.
  
4. Both Contracting Parties shall refrain from negotiating through diplomatic channels any matter relating to an arbitration procedure or judicial procedures underway until these procedures have been concluded, and one of the Contracting Parties has failed to comply with the ruling of the Arbitration Tribunal or the Court of law



within the period envisaged by the ruling, or else within the period which can be determined on the basis of the international or domestic law provisions which can be applied to the case.

**Article 10 - Settlement of Disputes between the Contracting Parties**

1. Any dispute which may arise between the Contracting Parties relating to the interpretation and application of this Agreement shall, as far as possible, be settled amicably through diplomatic channels.
2. In the event that the dispute cannot be settled within six months from the date on which one of the Contracting Parties notifies, in writing, the other Contracting Party, the dispute shall, at the request of one of the Contracting Parties, be laid before an "ad hoc" Arbitration Tribunal as provided in this Article.
3. The Arbitration Tribunal shall be constituted in the following manner: within two months from the moment on which the request for arbitration is received, each of the two Contracting Parties shall appoint a member of the Tribunal. The two members shall then choose a national of a Third State to serve as President. The President shall be appointed within three months from the date on which the other two members are appointed.



4. If, within the period specified in paragraph 3 of this Article, the appointments have not been made, each of the two Contracting Parties can, in default of other arrangement, ask the President of the International Court of Justice to make the appointment. In the event that the President of the Court is a national of one of the Contracting Parties or it is, for any reason, impossible for him to make the appointment, the application shall be made to the Vice-President of the Court. If the Vice-President of the Court is a national of one of the Contracting Parties, or is unable to make the appointment for any reason, the most senior member of the International Court of Justice, who is not a national of one of the Contracting Parties, shall be invited to make the appointment.

5. The Arbitration Tribunal shall rule with a majority vote, and its decisions shall be binding on both Contracting Parties. Each Contracting Party shall pay the costs of its own member of Tribunal and of its representatives at the hearings. The President's costs and any other cost shall be divided equally between the Contracting Parties.

The Arbitration Tribunal shall lay down its own procedures.



### Article 11 - Application of other Provisions

1. If a matter is governed both by this Agreement and by another International Agreement to which both Contracting Parties are signatories, or by general international law provisions, the most favourable provisions shall be applied to the Contracting Parties and to their investors.
  
2. Whenever the treatment accorded by one Contracting Party to the investors of the other Contracting Party, according to its laws and regulations or other provisions or a specific contract or investment authorisations or an investment agreement, is more favourable than that provided under this agreement, the most favourable treatment shall apply.
  
3. Whenever, after the date when the investment has been made, any modification of protection conditions extended to investments should take place in the legislation of the Contracting Party on whose territory the investment has been carried out, the protection granted under previous legislation will not be affected.



#### Article 12 - Entry into Force

This Agreement shall become effective as from the date in which the two Contracting Parties notify each other that their respective internal procedures have been completed.

#### Article 13 - Amendments

Amendments to the provisions of this Agreement may be agreed upon by the Contracting Parties. Such amendments shall become effective as from the date in which the Contracting Parties have notified each other that all respective internal procedures for their entry into force have been completed.

#### Article 14 - Duration and Termination

1. This Agreement shall remain effective for a period of ten years from the date of the notification under Article 12 and shall remain in force for a further period of five years thereafter, unless one of the two Contracting Parties withdraws in writing by not later than one year before its termination date.
2. In case of investments effected prior to the termination dates, as provided under paragraph 1 of this Article, the provisions of the Articles 1 to 11 shall remain effective for a further five years after the aforementioned dates.



In WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

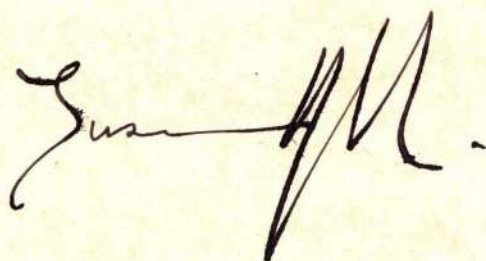
Done in Rome, this second day of May, one thousand nine hundred and ninety-five, in two originals, in Ukrainian, in Italian and in English languages, all texts being equally authentic.

In case of any divergence, the English text shall prevail.

FOR THE GOVERNMENT  
OF UKRAINE



FOR THE GOVERNMENT  
OF THE ITALIAN REPUBLIC





## P R O T O C O L

On signing the Agreement between the Government of Ukraine and the Government of the Italian Republic on the Promotion and Protection of Investments, the Contracting Parties also agreed on the following clauses, which shall be deemed to form an integral part of the Agreement.

### 1. Activities connected with investments

The provisions of this Agreement shall also apply to all the activities connected with an investment.

These activities shall include in particular, but not exclusively: the organization, control, operation, maintenance and disposition of companies, branches, agencies, offices, factories or other facilities for the conduct of business; the making and performance of contracts; the acquisition, use, protection and disposition of property of all kinds including intellectual property; the borrowing of funds; the purchase, issuance and sale of equity shares and other securities; and the purchase of currency for imports.

### 2. With reference to Article 2

- a) A Contracting Party (or its agencies or instrumentalities) may stipulate with investors of the other Contracting Party, who carry out investment of national interest in the territory of the Contracting Parties, an investment agreement which will



govern the specific legal relationship related to said investment.

- b) Neither of the Contracting Parties will set any condition for the creation, the expansion or the continuation of investments, which may imply the taking over or the imposing of any limitation to the sale of the production on domestic and international markets, or which specifies that goods must be procured locally, or similar conditions.
- c) Each Contracting Party will provide effective means of asserting claims and enforcing rights with respect to investments and investment agreements.
- d) The nationals of either Contracting Party authorised to work in the territory of the other Contracting Party in connection with an investment as per this Agreement, shall have the right to adequate working conditions for the carrying out of their professional activities, in accordance with the legislation of the host Contracting Party.
- e) According to its laws and regulations, each Contracting Party shall govern as favourably as possible the problems connected with the entry, stay, work and movement in its territory of nationals of the other Contracting Party, and members of their families, performing activities related to investments under this Agreement.



- f) Legal persons constituted under the applicable laws or regulations of one Contracting Party, which are owned or controlled by investors of the other Contracting Party, shall be permitted to engage top managerial personnel of their choice, regardless of nationality, in accordance with the legislation of the host Contracting Party.

**3. With reference to Article 3**

All the activities related to the procurement, sale and transport of raw and processed materials, energy, fuels and production means, as well as any other kind of operation related to them and linked to investment activities under this Agreement, shall be accorded, in the territory of each Contracting Party, no less favourable treatment than the one accorded to similar activities and initiatives taken by investors of the host Contracting Party or investors of Third States.

**4. With reference to Article 5**

Any measure undertaken towards an investment effected by an investor of one of the Contracting Parties, which subtracts financial resources or other assets from the investment or causes substantial prejudice to the value of the same investment, as well as any other measure having equivalent



effect, will be considered as one of the measures referred to in paragraph 1 of Article 5.

**5. With reference to Article 9**

Under Article 9 (3) (b), arbitration shall be conducted in accordance with the arbitration standards of the United Nations Commission on International Trade Law (UNCITRAL) as well as pursuant to the following provisions:

- a) The Arbitration Tribunal shall be composed of three arbitrators; if they are not nationals of either Contracting Party, they shall be nationals of States having diplomatic relations with both Contracting Parties.

The appointment of arbitrators, when necessary pursuant to the UNCITRAL Rules, will be made by the President of the Arbitration Institute of the Stockholm Chamber, in his capacity as Appointing Authority. The arbitration will take place in Stockholm, unless the two parties in the arbitration have agreed otherwise.

- b) When delivering its decision, the Arbitration Tribunal shall in any case apply also the provisions contained in this Agreement, as well as the principles of international law recognized by the two Contracting Parties.



The recognition and implementation of the arbitration decision in the territory of the Contracting Parties shall be governed by their respective national legislations, in compliance with the relevant International Conventions they are parties to.

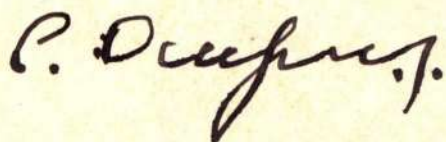
In WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed the present Protocol.

Done in Rome, this second day of May, one thousand nine hundred and ninety-five, in two originals, in Ukrainian, in Italian and in English languages, all texts being equally authentic.

In case of any divergence, the English text shall prevail.

FOR THE GOVERNMENT

OF UKRAINE



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