Investments may also include amounts yielded by investments that are re-invested, 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 investments.

Note: It is confirmed that nothing in the Agreement shall apply to investments made by investors of a Contracting Party in violation of the applicable laws and regulations of either or both of the Contracting Parties.

(2) The term "investor of a Contracting Party" means:

(a) a natural person having the nationality of that Contracting Party in accordance with its applicable laws and regulations; or

(b) an enterprise of that Contracting Party,

that makes investments in the Area of the other Contracting Party.

(3) The term "enterprise of a Contracting Party" means any legal person or any other entity duly constituted or organized under and regulated by the applicable laws and regulations of that Contracting Party, 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.

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

(5) The term "Area" means:

(a) with respect to Japan: its territory, 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

(b) with respect to Ukraine: the land territory, internal waters and territorial sea of Ukraine and the airspace above them as well as the maritime zones beyond the territorial sea including the seabed and subsoil, over which Ukraine exercises sovereign rights or jurisdiction in accordance with its national laws in force and international law.

(6) The term "freely usable currency" means freely usable currency as defined under the Articles of Agreement of the International Monetary Fund.

(7) The term "tax convention" means a convention for the avoidance of double taxation or other international taxation agreement or arrangement.

(8) The term "the WTO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, April 15, 1994.

Article 2

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its Area.

2. Each 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 investments of investors of the other Contracting Party.

Article 3

Nothing in this Agreement shall be construed so as to derogate from:

(a) laws and regulations, administrative practices or procedures, or administrative or judicial decisions of either Contracting Party;

(b) obligations under the international agreements which are in force between the Contracting Parties; or

(c) obligations which either Contracting Party may have entered into with regard to investments made by an investor of the other Contracting Party;

that entitle investments and investment activities to treatment more favorable than that accorded by this Agreement.

Article 4

1. Each Contracting Party shall in its Area accord to investors of the other Contracting Party and to their investments treatment no less favorable than the treatment it accords in like circumstances to its own investors and to their investments with respect to investment activities.