

# Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman and Minister of Foreign Affairs of the Kyrgyz Republic, Mr. Zheenbek Kulubaev Moldokanovich, sign the Protocol and exchange the Instrument of Ratification of Bilateral Investment Treaty (BIT) in New Delhi, today

## India-Kyrgyzstan BIT comes into force today

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Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman and Minister of Foreign Affairs of the Kyrgyz Republic, Mr. Zheenbek Kulubaev Moldokanovich signed the Protocol and exchanged Instrument of Ratification of the Bilateral Investment Treaty (BIT) between the Government of the Republic of India and the Government of the Kyrgyz Republic, in New Delhi, today.





The Bilateral Investment Treaty (BIT) signed on 14<sup>th</sup> June, 2019, in Bishkek, between the Government of the Republic of India and the Government of the Kyrgyz Republic, enters into force with effect from today, i.e. 5<sup>th</sup> June 2025. This new BIT replaces the earlier agreement enforced on 12<sup>th</sup> May 2000, ensuring continuity in the protection of investments between the two nations.



The India-Kyrgyz BIT marks a significant milestone in strengthening bilateral economic relations and fostering a secure and predictable investment environment. The BIT aims to promote and protect interests of investors of either country in the territory of the other country and has following key features:-

- i. Emphasis on sustainable development in the Preamble
- ii. Enterprise based definition of assets with an indicative inclusion list and a specific exclusion list of assets which also clarifies the characteristics of investments such as commitment of capital, the expectation of gain or profit, the assumption of risk and have significance for the development of the host state.
- iii. Exclusion of matters relating to local government, government procurement, taxation, services supplied in the exercise of governmental authority, compulsory licenses, in order to retain sufficient policy space with the Government in such matters
- iv. The BIT seeks to define the core elements of the Treatment of Investment, as found in customary international law. Besides, this the BIT ensures a balanced framework through provisions on national treatment, expropriation and transfers.

- v. Most Favored Nation (MFN) obligation has in the past allowed investors to selectively “*import*” favourable substantive provisions from other treaties concluded by the Host State. The *MFN clause is accordingly removed* in the BIT.
- vi. The BIT contains two types of exceptions: *general* exceptions and *security* exceptions. The attempt is carve out a policy space for the State. The general exceptions include, among others, the protection of environment, ensuring public health and safety, and protecting public morals and public order.
- vii. The BIT has calibrated Investor-State Dispute Settlement mechanism with mandatory exhaustion

of local remedies, thereby providing investors alternate dispute resolution mechanism.

The BIT balances the investor rights with the sovereign regulatory powers of both countries, and reflects a shared commitment to create a resilient and transparent investment climate. It is expected to further encourage cross-border investments and deepen economic cooperation between India and Kyrgyzstan.

**[CLICK HERE TO ACCESS THE BIT](#)**

**The India-Kyrgyz BIT can also be accessed at Department of Economic Affairs, Ministry of Finance website: <https://dea.gov.in/bipa>**

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