

# **Agreement between the Government of the United Arab Emirates and the Government of the Syrian Arab Republic for the encouragement, guarantee and protection of investments**

The Government of the United Arab Emirates and the Government of the Syrian Arab Republic,

Desiring to create conditions conducive to more economic cooperation between them, and in particular the investments made by investors from one of the two countries in the other country and realizing that the encouragement and mutual protection in accordance with the Arab and international agreements creates an encouraging situation to stimulate trade initiatives and increase prosperity in both countries, and

Desiring to create conditions conducive to further economic cooperation between them and in particular the investments made by investors from one of the two countries in the territory of the other country, and

Recognizing that the encouragement and mutual protection in accordance with the Arab and international agreements creates an encouraging situation to stimulate trade initiatives and increases prosperity in both countries, and

Eager to support and develop a suitable investment climate in which economic and financial resources can be transferred between them and achieving the goals of Arab economic integration,

Have agreed on the following.

## **Article 1. Definitions**

In the application of the provisions of this agreement:

1) The term "investment" means the various funds invested by the natural or legal persons of one Contracting Party, in the territory of the other Contracting Party, according to the laws and regulations of investment promotion in force in each contracting parties, and it includes for example:

a. movable and immovable assets, as well as any in-kind property rights, such as mortgages, debt securities, and similar rights.

b. Shares, stocks, and corporate bonds, or any other rights and interests in those companies, as well as loans and bonds issued by one of the parents or its affiliates, or any natural or legal person. The returns allocated for the purpose of re-investing it and the money transferred to be deposited in the other country.

2) The "host country" means the country in which the invested money received is duly invested.

3) The term "investor" means any of the natural or legal persons are making the investment, including state entities.

4) The term "person" means who has the nationality of one of the two countries according to its laws.

5) The term "legal person" in the field of application of the provisions of this agreement means every entity that is created and defined as a legal person in accordance with the laws in force for each of the two countries, such as public and private companies, institutions, trade unions.

6) "Returns" means the amounts earned by the investment, for example, profits, interest, dividends and royalties.

7) "Convertible currency", means the United States dollar, the Sterling pound, the Deutschemark, the French franc, the Swiss franc, the Japanese yen, or any other currency widely used for the purpose of making payments for international transactions or currencies that have ready-made machines ready in the major currency markets.

## **Article 2. Scope of Application of the Provisions of the Agreement**

1) The provisions of this Agreement apply to investments activities by the United Arab Emirates or one of its nationals in the territory of the Syrian Arab Republic, which are approved according to the provisions of the Law of Depreciation No. 1 of 1991 after the entry into force of this agreement or to accompany it according to the provisions of Resolution No. 186 of 1985 after the entry into force of this Agreement.

2) The provisions of this agreement shall also apply to the forms of investment activities by the Syrian Arab Republic or one of its nationals, which are carried out in the United Arab Emirates, according to the provisions of the laws governing them.

### **Article 3. Investment Encouragement and the Most-favoured Nation**

1) Investments and investment returns that are invested by one of the contracting parties or by the natural or legal persons in other contracting parties shall automatically be granted a treatment that is no less favourable than that granted or that may be granted to the investments and their returns from any third party. This treatment also applies to what is related to the managing, serving, exploiting, possessing, or disposal in these investments. These investments, and the activities associated with it, and their returns shall benefit from the advantages of the current investment promotion and collective Arab agreements relating to an investment in force in both countries, whichever is better and favourable in both countries.

2) The investments and its returns in paragraph (1) of this Article shall be granted the facilities, incentives and other forms of encouragement, including tax exemptions and other charges prescribed under the investment laws and regulations in force in both Contracting Parties.

### **Article 4. Investment Protection**

1) The investments of either country or any of their natural or legal persons may not be subject to any procedures that limit the right to ownership, managing or benefiting from these investments, whether permanently or temporarily, except within the applicable laws in force or by judgment from specialized courts.

2) It is not permissible, directly or indirectly, to nationalise or expropriate or freeze the investments of either country in the territories of the other country or the investments of any of their natural or legal persons, It is also not permitted to subject these investments to procedures that have the same effect as nationalisation or expropriation or limit the disposal of ownership of investments and investment returns, unless for the purpose of public benefit and for the public interest of this country and in exchange for immediate, sufficient and fair compensation on a non-discriminatory basis and in accordance with the laws in force and remittance is permitted in accordance with Article 4 of this Agreement.

3) The investor has the right to object to any of these procedures, and he has the right, in this regard, to follow various legal and judicial procedures.

4) Compensation is calculated on the basis of the fair market value of the investment immediately before the announcement of the expropriation, or simply by informing about the expropriation to the public. This value is determined according to the accepted market value determination principles. And in case it is not possible to determine the market value, the compensation value is determined in accordance with the fair principles taking into consideration Invested money, depreciation of capital, goodwill and other similar matters (The amount of compensation includes delay interest calculated on the basis of the "LIBOR" rate from the date of expropriation until the date of payment).

### **Article 5. Transfer of Money and Proceeds**

1) Both countries allow the transfer of capital and its returns abroad in the same currency in which it was originally used, or in any freely convertible currency with complete freedom and without delay, within the investment laws and regulations in force in these countries, and this include for example:

a. Profits, dividends, interest, debts (royalty), aid fees, technical and administrative service, and other returns revenue from any investment made by the investor from the other country.

b. Funds resulting from the total or partial liquidation of any investment made by the investor from the other country.

c. Paying off the loan instalments and its interest, that obtained in foreign currencies from abroad for the purpose of financing or expanding investments.

d. The income of the citizens of the other country and its employees who are allowed to work in areas related to investments according to the provisions of this agreement and within the boundary stipulated in the applicable investment laws and regulations.

## **Article 6. General Provisions**

1. Investors from either of the two Contracting Parties are allowed to hire some employees and experts regardless of their nationality, to the extent is permitted by the laws of the host country.
2. The contracting parties shall provide all necessary facilities, including issuing residence permits to administrative employees and their families in accordance with the laws and regulations of the host country and its administrative procedures.

## **Article 7. Settlement of Investment Disputes between the Investor and the Host Country**

Disputes related to the various aspects of the investments and related activities related to one of the two Contracting Parties or their territories are settled through conciliation, arbitration or resort to the Arab Investment Court, in accordance with the provisions of Chapter Six of the Unified Agreement for the Investment of Arab Capital in the Arab States and its Annex, which was approved by the Arab Economic and Social Council in its decision No. 481 dated 9/10/1980 AD, adopted at its nineteenth session, held in Tunisia, the investor has the right to refer to the local judiciary in the following cases:

- 1) Lack of agreement between the parties to resort to conciliation.
- 2) The conciliator was unable to issue a report within the specified period of time.
- 3) The parties did not agree to accept the solutions proposed in the conciliator's report
- 4) Lack of agreement between the two parties to resort to arbitration.
- 5) The arbitral tribunal's decision is not being issued within the prescribed period for any reason.

## **Article 8. Joint Committee**

In order to achieve the objectives of this agreement, a joint committee shall be established to encourage and protect investments. This committee shall include representatives from the related parties' authorities from the two countries and its tasks shall include the following:

- 1) Follow up the implementation of the provisions of this agreement and what derived from joint agreements between the two parties;
- 2) Discuss the ways and means which lead to encourage investment between the countries.
- 3) Working to remove the obstacles that hinder the implementation of the agreement.
- 4) Discuss ways and means of establishing and financing joint projects in both countries.
- 5) Study the decisions referred to it by the related parties' authorities in both countries.
- 6) To play a conciliatory role for disputes related to investment activity and work to resolve them amicably.

The joint committee shall meet annually in the Syrian Arab Republic and the United Arab Emirates alternately, and also meets whenever necessary and agreed upon by both sides.

## **Article 9. Application of other Rules and Special Commitments**

Investments governed by this agreement may benefit from the best provisions and advantages stipulated in other agreements to which the two countries are party to it, or those stipulated in the local law in force in the host country.

## **Article 10. Entry Into Force of the Agreement**

This Agreement is subject to ratification in accordance with the constitutional procedures in force in both countries and the implementation will enter into force from the date of exchange of ratification documents.

## **Article 11. Termination of the Agreement**

This Agreement shall remain in effect for a period of ten years, subject to renewal automatically, unless one of the other two contracting parties notifies in writing its desire to terminate it and this termination shall take effect one year after its date. Termination of this Agreement shall not affect the investments made in accordance with its provisions until its termination or liquidation.

Done at Damascus, Syrian Arab Republic on this day of 26 November 1997 AD, in two original copies in Arabic.

For the Government of the Syrian Arab Republic

Dr. Mohammed Al Emadi,

Minister of Economy and Foreign Trade

For the Government of the United Arab Emirates

Dr Mohamed Khalfan bin Kharbash,

Minister of State for Financial and Industrial Affairs