

Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the State of Palestine for the Bilateral and Reciprocal Promotion and Protection of Investments

The Government of the Bolivarian Republic of Venezuela and the Government of the State of Palestine, hereinafter referred to as the "Contracting Parties";

Desiring to intensify economic cooperation for the mutual benefit of both States;

With the intention of creating and maintaining favorable conditions for the investments of investors of either Contracting Party in the territory of the other Contracting Party;

Recognizing the need to promote and protect such investments with a view to promoting the economic prosperity and technological progress of the Contracting Parties and developing cooperation and friendship between them;

You have responded that fair and equitable treatment of investments is desirable in order to maintain a stable framework for investments and the maximum effective and sustainable use of economic resources.

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement and, unless otherwise indicated, the following words and terms shall have the corresponding meanings:

1. The term "investor" means any natural or legal person of a Contracting Party:

- a) The term "natural person" refers, in relation to any of the Contracting Parties, to any natural person who is a national of the Parties to this Agreement.
- b) The term "legal person" refers, in relation to any of the Contracting Parties, to any legal person, including companies, companies, companies, firms or commercial associations constituted under the corresponding law of that Contracting Party, which Has its principal place of business and operations or effective control in the territory of that same Contracting Party, whether or not for profit and regardless of whether it is owned or controlled by private or public entities.
- c) In addition, legal persons include the Government, government agencies, public law bodies, sovereign funds, trusts, and organizations established or governed by the respective public law of the Contracting Parties.

2. The term "investment" means any class of assets invested by an investor of either Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party, and in particular, but not exclusively will understand:

- a) Movable and immovable property and any other real right, such as servitudes, guarantees, mortgages, levies, pledges and similar rights,
- b) Shares in companies, bonds or bonds issued by companies and any other similar forms of participation in a company,
- c) Rights over sums of money or any contractual provision that has economic value,
- D. Intellectual or industrial property rights, such as copyright, trademarks, patents, technical processes, practical knowledge and reputation and image,
- e) Any rights of an economic nature, granted by law or by contract, such as concessions for carrying out activities, including those for exploration, processing, extraction and exploitation of natural resources.

3. The term "returns" means the production from an investment and the money generated by an investment and includes, but not exclusively, profits, dividends, interest, capital gain, royalties and fees.

4. The term "freely usable currency" shall mean a currency widely used to make payments for international transactions, as classified by the International Monetary Fund (IMF)

5. "Territory" means:

a) For the State of Palestine: the territory and territorial waters of the State of Palestine and its bed and subsoil, and the airspace above them, as well as the exclusive economic zone and the continental shelf, over which the State of Palestine exercises its Sovereign rights and jurisdiction in accordance with the provisions of international law and domestic laws and regulations.

b) For the Bolivarian Republic of Venezuela: all areas over which the Bolivarian Republic of Venezuela exercises sovereign rights and jurisdiction in accordance with the provisions of international law and its national laws and regulations, including, but not limited to, Interior, territorial sea including seabed and subsoil, the respective airspace, the exclusive economic zone and the continental shelf.

6. Any alteration of the ways in which the assets are invested or reinvested shall not affect their classification as an investment, provided that such alteration does not conflict with the provisions of this Agreement and with the regulations of the Contracting Party in whose territory the investment.

Article 2. Scope of the Agreement

This Agreement shall apply to all investors and investments made by investors of either Contracting Party in the territory of the other Contracting Party in accordance with its laws and regulations prior to or after the entry into force of this Agreement. Agreement; However, shall not apply to any dispute arising prior to such entry into force.

Article 3. Promotion and Protection of Investments

1. Each Contracting Party shall, to the extent possible, promote and create favorable conditions for investors of the other Contracting Party making investments in the territory of that Contracting Party and admitting such investments in accordance with its laws and regulations in force .

2. When any of the Contracting Parties has admitted an investment in its territory, it shall grant it, in accordance with its laws and regulations, the necessary and corresponding permits for such investment and the execution of the Licensing Agreements and technical assistance contracts, Commercial or administrative. Each Contracting Party, in accordance with its laws and regulations, in cases where they so deserve it, shall endeavor to issue the necessary authorizations for the activities of consultants and other qualified personnel of foreign nationality.

3. Investments made by investors of each Contracting Party shall be accorded at all times fair and equitable treatment and such investments shall enjoy full protection and security in the territory of the other Contracting Party.

Article 4. Investment Management

1. Each Contracting Party shall accord to it in its territory a fair and equitable treatment of the investments and returns of investors of the other Contracting Party, and such treatment shall not be less favorable than that accorded to investments of its own Investors or the investments and returns of third-party investors, whichever is more favorable to the investor, unless otherwise agreed by both parties.

2. Each Contracting Party shall accord in its territory to investors of the other Contracting Party, as regards the management, maintenance, use, enjoyment and disposition of their investments, a fair and equitable treatment and not less favorable Than that accorded to its own investors, unless otherwise agreed between the two parties.

3. Each Contracting Party shall accord in its territory to the investors of the other Contracting Party, treatment no less favorable than that accorded to investors of any Third Party, unless otherwise agreed by both Parties.

4. The treatment granted under paragraphs 1, 2, 3 of this article shall not be construed as obliging either Contracting Party to extend to the investors of the other Contracting Party and to the investment of them, the benefit Of any treatment, preference or privilege arising from:

a) Their membership of, or association with, any customs union, common market, or monetary union

b) Any international agreement or arrangement, related totally or mainly to taxes or any regulations that are totally or mainly taxed.

Article 5. Expropriation and Compensation

1. Neither Contracting Party shall take expropriation, nationalization or any other measures having the same effect against investments belonging to investors of the other Contracting Party (hereinafter referred to as "expropriation") unless the measures have Taken in favor of the public or social interest, without discrimination, following due process of law and after payment of adequate and effective compensation. Such compensation shall amount to the value of the investment expropriated immediately prior to the expropriation or when the impending expropriation becomes public domain, whichever occurs first (hereinafter referred to as the "appraisal date").

2. Such value shall be expressed in a freely usable currency chosen by the investor at the exchange rate prevailing in the market in respect of said currency at the valuation date. The compensation will be paid without delay, will be effectively liquid and transferable in a freely usable currency, at the choice of the investor. The compensation must also include interest calculated at the London Inter Bank Offered Rate (LIBOR) in the semester, from the date of expropriation to the date of payment.

3. Where a Contracting Party expropriates the assets of a corporation which has been incorporated under the law in force in any part of its own territory and in which the investors of the other Contracting Party hold shares, that Contracting Party shall ensure that Provisions of this Article shall be applied to ensure adequate and effective compensation in respect of the investment of such investors of the other Contracting Party who hold such shares.

4. Investors of either Contracting Party who suffer losses in their investments in the territory of the other Contracting Party as a result of a war or other armed conflict, a state of national emergency, revolution, insurrection or revolt shall be Shall accord restitution, indemnification, compensation or other settlement, treatment which is no less favorable than that accorded to its own investors or to investors of any Third State, whichever is more favorable to the investor.

5. The corresponding payments shall be transferable without delay in a freely usable currency at the choice of the investor and at the exchange rate of the market.

Article 6. Transfer

1. Each Contracting Party shall guarantee the free circulation of the proceeds of any investment made by an investor of the other Contracting Party in its territory and shall ensure that all the funds of an investor of the other Contracting Party in respect of an investment in Its territory are transferred freely and without delay, in accordance with the laws and regulations of the Contracting Party receiving the investment. Such funds include but are not limited to:

- a) Returns;
- b) The amounts corresponding to the capital and additional capital used to maintain and increase the investment;
- c) Payments of loans, including interest, that are related to the investment;
- d) Revenues from the sale of its shares;
- e) Revenues received by investors in case of sale or partial sale or liquidation;
- f) Profits of natural persons of a Contracting Party or other foreign personnel whose work is related to an investment in the territory of the other Contracting Party;
- g) Payments arising in connection with an investment dispute;
- h) Compensation under Article 5 of this Agreement.

2. Transfers under this Agreement shall be made without delay, in any freely usable currency, at the choice of the investor at the exchange rate prevailing on the date of the transfer.

3. The Contracting Parties undertake to grant to the transfer referred to in paragraphs 1 and 2 of this article a treatment no less favorable than that accorded to transfers originating from investments made by any Third State.

Article 7. Subrogation

1. In cases where a Contracting Party or the entity designated by it has secured any indemnity against non-commercial risks in respect of an investment which has been made by any of its investors in the territory of the other Contracting Party and has paid The other Contracting Party agrees that the first Contracting Party or the entity which it designates is entitled, by virtue of the subrogation, to exercise the rights and second the claims of said investors. Subrogated rights or claims shall not exceed the original rights or claims of such investors.

2. In the case of subrogation, as defined in paragraph 1 of this article, the investor shall not be entitled to file any suit, unless authorized to do so by the Contracting Party or the designated entity.

Article 8. Denial of Benefits

Upon notification, the Contracting Party may deny the benefits of this Agreement to:

1. Any investor of the other Contracting Party who is a legal person of that Contracting Party and any investment of such investor if the legal person is owned or controlled by investors of a third party and the Contracting Party denying the benefits does not maintain Diplomatic relations with that third party.
2. Any investor of the other Contracting Party who is a legal person of the other Party already contracts the investments of that investor if an investor of a Non-Contracting Party owns or controls that legal person and the legal person does not have commercial operations Territory of the other Contracting Party.

Article 9. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any legal dispute arising directly from an investment between one of the Contracting Parties and an investor of the other Contracting Party shall be settled amicably between them.

2. If such disputes can not be resolved in accordance with the provisions of paragraph 1 of this article, within two months of the date on which the request for resolution is made in writing, the respective investor may submit, at his convenience, the Resolution of the dispute before:

- a) The competent court of the Contracting Party where the investment was made to decide; or
- b) An Ad Hoc Arbitral Tribunal constituted in accordance with the rules of the United Nations Commission on International Trade Law (UNCITRAL) currently in force or, in the case of an agreement between the parties involved in the dispute, Accordance with the rules of any regional dispute settlement mechanism to which one of the Contracting Parties is a party.

3. The Ad Hoc Arbitral Tribunal stipulated in paragraph 2, subparagraph b, of this article, shall be constituted according to the following:

a) Each Party to the dispute shall designate one arbitrator and the two arbitrators thus designated shall designate by mutual agreement a third arbitrator, who shall be a citizen of a third country, who shall act as President of the Tribunal. All arbitrators must be appointed within two months from the date of notification by one of the Parties to the other Party of their intention to submit the dispute to arbitration.

b) If the periods specified in (a) above have not been respected, either Party shall, in the absence of any other Agreement, invite the Secretary-General or the Deputy Secretary-General of the Permanent Court of Arbitration at The Hague, To make the necessary appointments.

c) The Ad Hoc Arbitral Tribunal shall adopt its decisions by majority vote. Such decisions shall be final and binding on the Parties and shall be complied with. Decisions shall be taken in accordance with the provisions of this Agreement, the laws and regulations of the Contracting Party participating in the dispute, the terms of any written Agreement between the investor and the Contracting Party and the principles of international law recognized by the Party Contracting party to the dispute.

Unless the tribunal decides otherwise, in accordance with the special circumstances, each party to the dispute shall bear the costs of its representation in the arbitration proceedings; The costs of the arbitrators and other costs shall be borne equally by the Parties to the dispute.

The arbitral award shall be limited to determining whether there has been a breach of this Agreement, if such breach has caused damage to the investor and the corresponding compensation shall appear in said arbitration award.

A dispute which has already been previously filed before a competent court of the Contracting Party in whose territory the

investment has been made or where it has been regulated by that court shall not be brought before the Arbitral Tribunal.

d) The Tribunal will interpret the award and explain the reasons for its decision at the request of either party. The arbitration shall be held at the seat of the Permanent Court of Arbitration in The Hague, Netherlands, unless otherwise agreed by the Parties.

Subject to the foregoing, the tribunal shall be governed by the arbitration rules established by the United Nations Commission on International Trade Law (UNCITRAL) 1976.

Article 10. Entry and Sojourn of Personnel

Each Contracting Party shall, subject to its laws and regulations relating to the entry and residence of aliens, allow natural persons of the other contracting party and other persons designated or employed by investors of the other Contracting Party to enter and remain in its territory Investment-related activities.

Article 11. More Favorable Provisions

1. If the national law of each Contracting Party or obligations under international law existing or existing in the future between the Contracting Parties, in addition to the provisions of this Agreement, contain a provision, general or specific, which grants To investments made by investors of the other Contracting Party more favorable treatment to the provisions of this Agreement, such provision shall prevail over the provisions of this Agreement to the extent that it is more favorable to the investor.

2. In all cases where the treatment agreed between one Contracting Party and the investors of the other Contracting Party, in accordance with its respective laws and regulations or other provisions of a specific contract, agreement or investment authorization, is more favorable than The provisions of this Agreement, the most favorable treatment shall apply.

Article 12. Entry Into Force

1. This Agreement, or any amendment thereof, shall enter into force on the date of the last notification by which the parties communicate the fulfillment of their respective constitutional and legal requirements.

2 This Agreement may be amended by written agreement between the Contracting Parties.

Article 13. Duration and Denunciation

1. This Agreement shall remain in force for ten (10) years and shall remain in force for the same period at the end of that first period, unless either Contracting Party notifies the other Contracting Party six (6) months Prior to the expiration of the initial period or any extension, its intention not to renew the Agreement.

2. Notice of denunciation of this Agreement shall take effect six (6) months after such notice is received by the other Contracting Party.

3. In respect of investments made before the date on which the denunciation of this Agreement becomes effective, the provisions of this Agreement shall remain in force for a period of five (5) from the date of denunciation of this Agreement .

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective governments, have signed this Agreement.

This agreement is signed in Caracas on the 18th day of September 2015, in two (2) copies in the Spanish and English languages, both texts being equally valid.

For the Government of the Bolivarian Republic of Venezuela

Delcy Eloína Rodríguez Gómez

Minister of People's Power for Foreign Affairs

For the Government of the State of Palestine

Riad Malid

Minister of Foreign Affairs