

Agreement on Encouragement and Mutual Protection of Investments between the Government of the Sultanate of Oman and the Government of the Hashemite Kingdom of Jordan

The Government of the Sultanate of Oman and the Government of the Hashemite Kingdom of Jordan, hereinafter referred to as the Contracting Parties, -Referred to any of them- as the contracting party.

Desiring to promote and deepen economic cooperation for the benefit of the two countries, and in particular to create favorable conditions for investments by investors from either Contracting Party in the territory of the other Contracting Party.

Recognizing the need to protect the investments of investors of both Contracting Parties and to stimulate investment initiatives and the transfer of capital and technology between the two countries to the economic prosperity of both Contracting Parties.

We have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. "Investments" means all types of assets which are invested in accordance with the legislation of the Contracting Party which accepts investment in its territory, including but not limited to:

- a. Movable and immovable property and other proprietary rights such as mortgages, and guarantees.
- b. Shares, bonds, securities, shares in the ownership of companies and any other types of participation in companies.
- c. Revenue.
- d. Claims of monetary amount or a contractual commitment of financial value.
- e. Intellectual property rights including rights relating to publication, patents, trademarks, trade names, industrial designs, trade secrets, technical manufacturing processes and commercial reputation.
- f. Business Privileges granted by law or contract, including franchises for the exploration, development, extraction or exploitation of natural resources.

Any change in the form of the investment or reinvestment of assets, this change of the form should not affect their nature as an investment provided that such change is not in conflict with the legislation of the Contracting Party in which the investment is made on its land.

2. The term "proceeds" refers to all funds resulting from investment or reinvestment such as profits, royalties, capital gains, dividends, fees and interest.

3. The term "Investor" means:

- a. Any natural person who holds the nationality of either Contracting Party in accordance with its legislation.
- b. Any legal person that is established in the territory of a Contracting Party in accordance with its legislation.

4. The word "territory" means:

The territory of either Contracting Party, including the airspace, maritime zones and exclusive economic zones to which the Contracting Party has sole jurisdiction, including the seabed and subsoil, exercising sovereign or jurisdictional rights under

international law.

5. The term "freely usable currency" means:

Any currency determined by the International Monetary Fund as a freely used currency in accordance with the provisions of the IMF Agreement.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to invest capital in its territory and accepts such investments in accordance with its legislation and the provisions of this Agreement.

2. Investments of investors of either Contracting Party should at all times be treated equitably in accordance with the principles of international law. And to enjoy protection and safety in the territory of the other Contracting Party.

3. Each Contracting Party has to provide the necessary facilities and permits for the entry, exit, residence and work of the Investor and for those whose business relates permanently or temporarily to the investment such as experts, administrators, technicians and workers in accordance with the legislation in force in the Contracting Party in which the investment is made. (on its land)

Article 3. National Treatment and Mfn Provisions

1. Investments by investors of either Contracting Party in the territory of the other Contracting Party should be accorded fair and equitable treatment and must not be less favorable than those accorded to investments by its investors or investment by investors of any third State, whichever is more favorable to the investor.

2. Each Contracting Party shall grant to the investors of the other Contracting Party and their investments Fair and equitable treatment not less favorable than that accorded to their nationals and their investments or to investors of any third country and their investments regarding the management, operation, maintenance, use, enjoyment, sale and liquidation of investments whichever is more favorable to the investor.

3. Investors from any Contracting Party whose investments in the territory of the other Contracting Party are exposed to losses resulting from the war or other armed conflict, revolution, national emergency, rebellion, insurrection, strikes or other similar events in the territory of the other Contracting Party this, Contracting Party shall accord them treatment in respect of the reinstatement of the situation, loss, compensation or other settlement not less favorable than that accorded by the Contracting Party to its investors or investors of any third State, whichever is more favorable to the investors concerned, and these resulting payments are free conversion.

4. The provisions of this Article shall not be construed so as to oblige a Contracting Party to provide to investors of the other Contracting Party the benefits of any transaction, preference or concession arising from:

a. Membership in or accession to a free trade area, a customs union existing or to be established in the future, a common market, or any form of regional economic cooperation.

b. Any agreements to avoid double taxation or other types of agreements or tax matters.

5. The provisions of paragraph 1 does not oblige the Sultanate of Oman to grant the investors of the other Contracting Party the same treatment granted to its investors regarding the ownership of land, real estate, grants and soft loans.

Article 4. Nationalization and Expropriation

1. The investments of the investors of either Contracting Party must not be nationalized, expropriated or subjected to any procedures having the same effects of nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party, unless expropriation is for the public benefit and to be In accordance with the law and without discrimination.

2. Any expropriation proceedings that may be taken must include immediate, adequate and effective compensation to be paid in the currency in which they are invested or any freely convertible currency and to be calculated on the basis of the value of the investments prevailing in the market immediately prior to the declaration of the expropriation decision or before it becomes known to the public. If it is not possible to ascertain the market value easily, compensation is determined according to the generally accepted principles of valuation and on the basis of equitable principles that take into account,

inter alia, the invested capital, consumption and capital that has already been transferred abroad, Replacement value and the other relevant elements, This compensation includes interest calculated on the basis of the London Interbank Offered Rate (LIBOR) applied to the currency of the investment from the date of expropriation until the date of payment.

The compensation shall be immediately paid and to be paid without delay and shall be freely convertible.

Article 5. Transfers

1. The Contracting Party in whose territory the investment is made by investors from the other Contracting Party should ensure that these investors freely transfer the following:

- a. Revenue.
- b. The proceeds of sale or partial or total liquidation of any investment of the investors of the other Contracting Party after the accomplishment of their financial obligations.
- c. Funds allocated for repayment of loans contracted which related to investment.
- d. Entry, remuneration and entitlements of nationals of the other Contracting Party and nationals of any third State permitted to engage in activities connected with investment in its territory.
- e. Capital invested, and any additional amounts of money required to maintain, increase or expand existing investments.
- f. Compensation; for expropriation or loss, as described in Articles 3 and 4 above as well as payments resulting from the settlement of investment disputes.

2. The transfers referred to in paragraph (1) of this Article should be made immediately at the exchange rates prevailing at the time of transfer and at the exchange rates determined by the International Monetary Fund in the case of multiple exchange rates in the host country of the investment, whichever is more favorable to the investors concerned.

The Contracting Party which the investment has made in its territory has to undertake to treat the transfers referred to in paragraph (1) of this Article a similar treatment in its preference for the treatment it accords to transfers resulting from the investments of its investors or investors from any third country, whichever is more favorable to the investors concerned.

Article 6. Dispute Settlements between an Investor from One of the Contracting Parties and the other Contracting Party

1. Any dispute arising out of investments between a Contracting Party and an investor of the other Contracting Party will be settled, if possible, by the parties concerned in a friendly way.

2. If the dispute has not been settled within six months from the date of the dispute, the dispute; and upon the choice of the investor to be settled as follows:

- a. Under the rules of arbitration established by the United Nations Commission on International Trade Law 1976 and its applicable amendments or any other rules of arbitration established by the Commission, or
- b. Under arbitration in accordance with the provisions of the chapter on dispute settlements of the unified agreement for the investment of Arab capital in the Arab countries of 1980, or
- c. Under the rules of the International Center for Settlement of Investment Disputes established under the Convention on the dispute Settlements between States and Nationals of Other States which is submitted for signature in Washington on 18 March 1965, or
- d. By local judicial authorities of the other Contracting party that Hosting the Investment.

If the investor chooses to file suit before one of the above mentioned entities, he will not be able to raise it any elsewhere.

3. The arbitral awards are final and binding on the parties to the dispute and each Contracting Party has to comply with them in accordance with its national law and without delay.

Article 7. Dispute Settlements between the Contracting Parties

1. In the event of any dispute concerning the interpretation or application of this Agreement, the Contracting Parties have to endeavor to settle the dispute amicably by negotiation through diplomatic channels.

2. If the dispute cannot be settled in accordance with provision (1) above within six months from the date of commencement of the negotiations, the dispute will be referred to a special arbitral tribunal upon the request of one of the contracting parties.

3. The arbitral tribunal is composed, on a case-by-case basis, each Contracting Party appoint one arbitrator and these two arbitrators choose a national of a third State having diplomatic relations with both Contracting Parties to serve as Chairman of the Arbitral Tribunal. The arbitrators should be appointed within three months and the chairman in a maximum period of five months from the date of receipt of the declaration of arbitration.

4. If the arbitral tribunal cannot be formed within the stipulated periods, and In the absence of any other agreement, either Contracting Party may invite the Secretary-General of the League of Arab States to make the necessary appointments, if the Secretary-General has the nationality of one of the Contracting Parties or is unable to perform the task, the Deputy Secretary-General is required to make the necessary appointments.

If the Deputy Secretary-General holds the nationality of a Contracting Party or is unable to perform this task for any other reason, he requests the oldest Senior Assistant Secretary-General and who does not hold the nationality of either Contracting Party to do the Necessary appointments.

5. The arbitral tribunal issues its decisions by a majority vote and its provisions are final and binding on the Contracting Parties, The tribunal establishes its own procedures and upon the request of either Contracting Party; it has to interpret the provisions it issues.

The legal expenses, including the fees of the arbitrators, will be afforded equally by the Contracting Parties, Unless the arbitral tribunal decides otherwise In special circumstances.

Article 8. Subrogation

If one of the Contracting Parties as a result of a guarantee that has been granted for an investment established in the territory of the other Contracting Party, paid an amount of money as compensation to its investors, then The full rights of the investor will be transferred to the first contracting party under the replacing rule concerning the rights and obligations of such investor, Without prejudice to the rights of the beneficiary of the guarantee from using its right to resort to international arbitration under Article 6.

Article 9. Apply other Rules

If the provisions of the law of either Contracting Party or existing or future international obligations between the Contracting Parties in addition to this Agreement, contain general or specific rules granting investment and returns to investors of one Contracting Party more favorable than those granted by this Agreement, These rules govern this agreement to the extent that it is more favorable.

Article 10. Scope of Application of the Convention

This Agreement applies to existing investments invested or are currently being invested by investors of either Contracting Party in the territory of the other Contracting Party and in accordance with its legislation before and after the entry into force of the Agreement. However, this Agreement does not apply on disputes which had arisen prior to its entry into force.

Article 11. Commencement, Duration and Termination of the Agreement

1. This Agreement enters into force thirty days after the date of the last notification which indicates that both Contracting Parties have met the legal requirements fulfillment for making the Agreement enter into force

2. This Agreement remains in force for fifteen years and automatically renewed for other similar periods unless terminated in accordance with paragraph (3) of this Article.

3. Either Contracting Party has the right to terminate this Agreement at the end of its term or at any time after the expiration of the first fifteen years by written notice to the other Contracting Party, and this notice should be one year prior to the date of the intended termination.

4. In respect of the investments that had been made or obtained; and preceded the date of termination of this Agreement, all provisions of the other Articles of this Agreement remains valid for an additional period of twenty years from the date of termination.

IN WITNESS WHEREOF the undersigned and the Plenipotentiaries are fully authorized by their respective Governments to have signed this Convention.

Done from two original copies in Arabic on Monday, the 21st of the first month of the month of 1428 H corresponding to 9/4/2007 and both texts have legal authentic.

For the government of Sultanate of Oman

Dr. Abdul Malik bin Abdullah Al-Hinai

Undersecretary of the Ministry of National Economy

Economic Affairs Chairman of the Omani side of the Joint Omani-Jordanian Committee

For the Government of the Hashemite Kingdom of Jordan

Dr. Muntaser Al-Aqlah

Secretary General of the Ministry of Industry and Trade Chairman of the Jordanian side in the Joint Jordanian-Omani Committee