Agreement between the Government of the Syrian Arab Republic and the Government of the Islamic Republic of Pakistan on Mutual Promotion and Protection of Investments

The Government of the Syrian Arab Republic and the Government of the Islamic Republic of Pakistan hereafter referred to as "the Contracting Parties".

Based on their mutual belief in the significance of enhancing the existing cooperation between their two countries;

And desiring to boost the investment activities in their countries by creating the appropriate investment climate for Syrian and Pakistani investors and businessmen in order to urge them to establish investment projects leading to the enhancement of economic development in the two countries;

Have agreed as follows:

Article 1.

1. The term "investor" in relation to either Contracting Party includes the following:

a. Natural Persons, holding the nationality of that contracting Party and who are practising investment activity on the territories of the other Contracting Party in accordance with the laws and regulations in force.

b. Juridical Persons belonging to any of the two contracting Parties and who are practising investment activities on the territories of the other contracting Party.

2. The term "Investments" means all the investment funds duly used after the implementation of this agreement, by the citizens of the two Contracting Parties on the territories of the other contracting Party in accordance with the investments laws and regulations in force therein. These include for example:

a. Movable and unmovable assets.

b. Property rights such as real estate mortgages, debentures and any similar rights.

c. Shares, dividends and company stocks as well as the stocks issued by any of the two countries, and which are allowed for circulation under the implemented laws and regulations in either country.

d. Loans and deposits.

e. Intellectual property rights such as copy rights, patents, designing, industrial samples and trade marks, as well as all similar rights being allowed under the laws of the two Contracting Parties

Any change in the form of investment of these assets, or re-investment of the same, must not affect its nature as investment. 3. The term "Returns" means the amounts realized by the investment, and these shall include and be restricted to profits, dividends, interests, revenues or capital profits.

Article 2.

1. The investments and their returns, invested by natural and juridical persons on the territories of the other Contracting Party shall enjoy all the facilities, incentives and the other forms of encouragement, including the exemptions from taxes and fees provided for by the relevant investment laws and regulations applicable at the host country. The investment licence issued in relation to a particular investment shall determine the law to be in force thereto.

2. The investors of either Contracting Party shall be permitted to appoint some employees and experts from a third party to the extent permissible in accordance with the laws of the host country. And, the two Contracting Parties shall ensure to

provide all appropriate facilities, including issuance of residence permits for such employees and experts as well as their families in accordance with the laws of the host country.

Each of the two Contracting Parties shall ensure a fair and just treatment on its territories for the investments of investors of the other Contracting Party in force under the laws and regulations of encouragement of investments. Such treatment shall not be less than the treatment accorded to its citizens.

Article 3.

It shall not be permissible for cither Contracting Party to cause damage to the investments belonging to the other Contracting Party, or to management, maintenance, renewal, sale or liquidation of these investments through any procedures which violate the relevant enforced laws and regulations as per the following:

1. Nationalization, expropriation or freezing of investments belonging to any of the two Contracting Parties on the territories of the other Contracting Party, as well as investments of the Natural or Juridical persons shall not be effected, whether directly or indirectly. These investments shall not be subjected to any procedures having effects similar to nationalization, expropriation or restriction of disposal of investment ownership and returns, unless such measures are for public or common interest of the respective country, or against a fair compensation based on nondiscrimination and in accordance with the effective laws, whereby the compensation shall be transferred in accordance with Article-4 of this Agreement.

2. Investors shall have the right to object to any of the procedures provided for in paragraph (1) of this Agreement, and shall enjoy the right to pursue the various legal and legislative procedures in practice in the host country.

3. Compensation shall be calculated on the basis of the fair market value of investment prior to expropriation or immediately after notification of expropriation to the public. This value shall be determined in accordance with the principles adopted in respect to determination of market value, and in case of non-determination of market value, compensation shall be made in accordance with the equitable principles, taking into consideration the investment capital, depreciation of capital, trade name and other similar factors.

4. Investors belonging to either Contracting Party, whose investments on the territories of the other Contracting party sustain damages as a result of wars, armed conflicts, revolution, mutiny or civil state of emergency , shall be given treatment not less than that given to investors of its citizens, in respect to retrieval of their assets or compensation for the damages or any other compensations. They shall also be allowed to repatriate these assets in accordance with the provisions of Article 4 of this Agreement.

Article 4.

The two Contracting Parties shall be allowed to repatriate the capital and returns of the investor being duly invested on the territories of the other Contracting Party with the same currency used by the investor or any other currency freely convertible and without delay in accordance with the enforced investment laws and regulations effective on the date of commencement of investment, or pursuant to the provisions adopted for this purpose, whichever is more favorable for the investor.

a. Profits, dividends, interests and any other returns resulting from any investment made by the investor of either Contracting Party on the territories of the other Party in accordance with the effective laws and regulations.

b. The amounts resulting from total or partial liquidation of any investment made by investors from either Contracting Party on the territories of the other Party on the date of commencement of investment, or in accordance with the implemented provisions at the time of transfer, whichever is more favorable.

c. Payment of loans and interests obtainable with the knowledge of the host country in foreign currency from overseas for the purpose of financing or expanding of investments.

Article 5.

1. Disputes arising between a Contracting Party and investors from the other Contracting Party in respect to compensations for expropriation, nationalization, seizures and any similar procedures, including disputes over amount of compensation, must be settled amicably.

2. In case amicable settlement of these disputes fails within six months from date of submission of a written application for this purpose, the concerned investor shall be entitled to offer the dispute to:

a. Competent court and supreme courts in the country of the Contracting Party.

b. An ad hoc arbitration court in accordance with the U.N. Arbitration Committee for International Commercial Rights (UNCITRAL).

c. The International Centre for Settlement of Disputes on Investments, for implementing of the arbitration procedures provided for at the Washington Convention of 18/3/1965 regarding "settlement of disputes arising from investments between nations and citizens of other nations", in case the two Contracting Parties should be full members to this agreement.

d. The two Contracting Parties shall avoid settlement of disputes through diplomatic channels in respect to any subject relating to arbitration or any other pending case, or as long as any of either Party fail to appear before the arbitration court or the arbitrator of the designated ordinary court, and as long as the execution periods determined in the case pursuant to the principles of international or national rights have not expired.

Article 6.

1. Dispute between the two Contracting Parties in respect to interpretation and implementation of this Agreement must be solved, as much as possible, amicably by diplomatic channels.

2. In case of impossibility of settlement of disputes within 3 months from date of lodging of the written application by any of the two Contracting Parties, it shall, on request of the concerned party, be referred to an arbitration court to be constituted for this purpose in accordance with the provisions of this Agreement.

3. The arbitration court shall be constituted as follows: Either Contracting Party shall nominate a member for this court within two months from date of receipt of the request for arbitration; thereafter, the two elected members shall select a citizen of a third country as a chairman of the arbitration court. The Chairman must be selected within three months from the nomination of the two members by the two Contracting Parties.

4. In case the facilities are not completed within the durations provided for in paragraph (3) of this Article, any of the two Contracting Parties in the absence of other agreements shall have the right to demand that these nominations be made by the President of International Arbitration Court. And, in case the President of this court happens to be a citizen of either Contracting Party, or if he refrains to take up this assignment for other reasons, the Vice-president of the International Court shall be invited to undertake the nomination procedure.

5. The arbitration court shall give its final verdict by majority of votes, and its decision shall be binding. And, the respective Contracting Parties shall bear the fees for its nominated arbitrator besides any other charges arising from its participation in the suit for arbitration. The charges pertaining to the President and other expenses shall be fairly borne by the two Contracting Parties. And the arbitration court shall enact its competent procedures.

Article 7.

The citizens of the two Contracting Parties shall be allowed to invest in the country of the other Party in the various areas which are open for investment, specially in the field of industry, agriculture, health, tourism, transport, etc. and the respective investment project shall not benefit from the protection provided for in this Agreement, unless the investment authorities in the host country have given its approval thereto.

Article 8.

a. This Agreement shall come into effect on the date of exchange of notes intimating ratification of the Agreement by the concerned authorities, in accordance with the constitutional regulations adopted by the authorities of the Contracting Parties.

b. This Agreement shall be valid for a period of ten year from effective date, and shall be automatically renewable for similar periods, unless any of the two Contracting Parties notifies the other Contracting Party about its desire to terminate it six months before date of expiry.

c. The termination of this agreement shall not affect the investments which have been made in accordance with its provisions, until such investment are either completed or liquidated.

Done in duplicate in Arabic and English, and the two texts shall have the same authenticity.

Signed in Damascus on April 25, 1996