

# **AGREEMENT ON THE ENCOURAGEMENT AND PROTECTION OF INVESTMENTS BETWEEN THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC**

The Government of the Hashemite Kingdom of Jordan;

The Government of the Syrian Arab Republic; Referred hereinafter by the Contracting Parties; and

Being desired to expand and promote economic cooperation for the advantages of both countries; and as believing in the necessity of providing investment base to encourage their citizens to invest a portion of their savings to establish economic and services projects in the other party territory, they have agreed on the following:

## **Article 1. Definitions**

For the purposes of this agreement:

1) The Term "investment" shall mean various invested properties by natural or legal persons of either countries in the territory of the other country in accordance with applicable laws and regulations in their respective countries, and that shall include for example:

- a) Movable and immovable properties, as well any real-estate properties rights such real mortgage and debt debentures and other rights.
- b) Shares, stocks, and companies debentures or any other rights or interests in that company as well loans and deeds issued by either of the Contracting Parties or any of their natural or legal persons and revenues allocated for the purpose of investing them and duly transferred property to the other countries including deposits.
- c) Rights of Industrial and intellectual property, including rights related to publishing, patent, trademarks, trade names, industrial designs, technical manufacturing processes, handcraft knowledge, trade reputation which are used in a licensed investment project.

2) The term "Investor" shall mean:

- a) Natural persons of either Contracting Parties nationality by virtue of that party law and exercise investment activity in the territory of the other Contracting Parties according to that country applicable investment laws.
- b) Legal persons (bodies, and organization recognized as legal persons), according to the contracting party laws such as companies, public, private and joint organizations, which practice the investment activity in the territory of the other Contracting Party.

3) The term "Revenues" shall mean all amounts achieved by the investment such as: profits, interests, profits of shares and commissions.

4) The term "Territory" shall mean:

a) According to the Syrian Arab Republic:

The expression "Syrian Arab Republic", shall mean the territory of the Syrian Arab Republic, including territorial water, and continental land, underground and the airspace and all other territories outside the Syrian territorial water, where Syria is practicing the right of sovereignty according to international rights and national legislation for the purpose of extracting, and investing natural, vital and mine resources as well all other rights existing in water, earth and under seabed.

b) According to the Hashemite Kingdom of Jordan:

The expression "The Hashemite Kingdom of Jordan", shall mean the territories of the Hashemite Kingdom of Jordan as well territorial Jordanian waters, including the seabed and all other territories extending outside the Jordanian territorial waters on which Jordan is exercising the right of sovereignty according to international and Jordanian laws for the purposes of extracting and discovering, utilizing and investing natural resources whether they were alive or not alive, and all other rights existed in the water and territories under the seabed.

5) The term "Convertible Currency" shall mean: the dollar of the United States of America, sterling pound, Dutch Mark, French Frank, Swiss Frank, Japanese Yen, or any other currency used in a large extent for the purpose of conducting payments for international transactions which have ready buyers in main currency markets.

## **Article 2. Encouragement of Investment**

1) Each of the Contracting Parties shall encourage and provide suitable conditions for investors of the other Contracting Party to invest capitals in his territory and shall accept such investments according to his laws, rules, and national policies.

2) Each of the Contracting Parties shall provide necessary facilitation and permissions for entry, depart, and residence of experts, administrators, technicians, and workers, according to applicable laws and legislation in the hosting country.

3) Each of the Contracting Parties shall confer fair and just treatment for investors' investment of the other Contracting Party. In addition management, maintenance, utilize, using, or assigning of the investment, as well companies, and projects in which these investment were completed shall not be subject to any, legally, unjustified special procedures.

4) Investments and their revenues employed by natural or legal persons in the territory of the other Contracting Party, shall enjoy facilitation, incentives, and other encourage forms, including exemption of taxes and fees prescribed in the applicable investment laws and regulation in the territory of the hosting country.

The license document shall specify the investment law for each of these investments, in order to apply on them according to the projects' nature, structure and activity exercised.

5) Each Contracting Party shall ensure the provision of fair and just treatment for investors' investments of the other Contracting Party, which established according to his laws and regulations of investment encouragement, and this treatment shall not be less favor than those conferred and applied on his citizens or the citizens of any third country.

6) These investments and their revenues shall benefit from decided advantages by virtue of collective Arab agreements related to investments of which both Contracting Parties are members and ratified duly.

## **Article 3. Protection of Investments**

None of the Contracting Parties may not cause damage to investments of the other Contracting Parties, and the administration of those investments, continuity, renewal, sell, liquidation, through procedures violate applicable laws and regulations, according to the following:

1) It may not permissible, directly or indirectly, to nationalize, expropriate, freeze of investments of either of the Contracting Parties in the territories of the other Contracting Party or the investments of any of its natural or legal persons, as well these investments shall not be subject to procedures have the same effects of nationalization, expropriation, or to limit the disposition of these investments properties and their revenues, except for public interest of this country against an immediate and fair compensation on indiscriminately bases and according to applicable laws and shall permit transference according to Article 4 of this agreement.

2) In consistent with provisions of Article 6 of this agreement, the investor shall have the right of objection on any of these procedures and shall have the right to pursue different applicable legal and judicial procedures in the hosting country.

3) Indemnities shall be counted on basis of market value of investment, prior to the declaration of expropriation decision directly or by notifying the expropriation to the public. This value shall be determined according to principles of known market value, and in case it is impossible to specify the market value, the indemnity value shall be specified according to justify rules taking into account invested capital, consumption of capital, trade name, and other similar issues.

4) The investors of either Contracting Parties of which their investments were exposed to damage in the territories of the other Contracting Parties, due to war, armed dispute, revolt, civil urgent case, or riot acts shall be conferred a treatment not less than conferred to his investors regarding the compensation, for damages, or other indemnities as well they are permitted to transfer them, according to the provisions of Article 4 of this agreement.

## **Article 4. Transfer of Capital and Revenues**

Each of the Contracting Parties shall have the right to retransfer capital and revenues outside the country in the same currency entered or any freely convertible currency and without a delay, according to applicable investments laws and regulations, and shall include for example:

- 1) Invested capital, including reinvested revenues for the purpose of development, expansion, and licensed duly from competent authorities in the host country.
- 2) Profits, shares profits, interests, or other incurred revenues of any investment performed by an investor in the other Contracting Party according to his applicable investment laws.
- 3) Amounts result from full or partial liquidation of any investment performed by the investors of the other Contracting Party according to specified rules in the laws of investment encouragement in both Contracting Parties.
- 4) Payment of loans installments and their interest gained from abroad with the knowledge of the hosting country for foreign currency currencies for the purpose of financing investment or expanding it.
- 5) Indemnities mentioned in Article 3 of this agreement and payment from dispute related to the project.
- 6) The other country's citizen and employees income who are permitted to work in fields related to investments according to this agreement regulations and within limits prescribed in applicable laws and regulations.

## **Article 5. Subrogation**

- 1) If the licensed investment which originally for an investor of either of the Contracting Parties is insured against non-trade risks according to an order by a law and by the approval of the other Contracting Parties, any subrogation of the assurer result from an agreement conditions shall be recognized by the other Contracting Party.
- 2) The assurer shall not be authorized to exercise any other rights, other than the investor is authorized.
- 3) The dispute between a Contracting Party and such assurer shall be settled according to the provisions of Article 6 of this agreement.

## **Article 6. Settlement of Investment Disputes Arising between the Investor and Hosting Country**

All disputes related to different aspects of investments and activities related to them, which of either of the Contracting Parties or their nationals shall be settled through conciliation, arbitration, or by competent judicial authority in the hosting country of investment or to refer to the Arab Investment Court in accordance with the provisions of chapter 6 of the Agreement of Unifying of Investing Arab Capitals in Arab countries, and its annex which agreed by the Arab Social and Economical Council, decision No. 841 dated on 10/9/1980.

## **Article 7. Application of other Rules and Special Obligations**

Investments governed by this agreement may utilize from best provisions and advantages prescribed in other agreements in which the two countries are members, or those prescribed in local applicable law in the hosting country.

## **Article 8. Agreement Implementation Follow-up Committee**

In order to achieve the objectives of this agreement a joint committee shall be formed on ministers between the two countries for the encouragement and protection of investments with the following assignments:

1. To follow-up the implementation of this agreement.
2. To seek for means and methods which lead investments between the Contracting Parties.
3. To eliminate difficulties of obstructing the implementation of investments.
4. To seek means and methods of establishing and funding joint projects in both countries.
5. To study proposals of concerned authorities in both countries.
6. To perform conciliating role for disputes related to the investment activity and to solve them amicably.

The joint committee shall meet consecutively in both countries, and when it is necessary.

The Committee resolutions or recommendations shall not be considered effective unless the designated authorities in both countries has exchanged ratified notifications.

## **Article 9. Settlement of Disputes between the Contracting Parties**

Any dispute arise between the Contracting Parties on the interpretation of this agreement texts in consultations with the two Contracting Parties representatives. If dispute is arising from the application of this agreement, and an amicable agreement has not been reached within 12 months, they can upon the request of either of the Contracting Parties to refer the dispute to an arbitration tribunal of three members.

Each Contracting Party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the president of this tribunal provided to be a national of a third country.

If any of the Contracting Parties fails to appoint his arbitrator, and did not consider the request of the other Contracting Party to make that appointment within two months, that arbitrator shall be appointed according to a request of that Contracting Parties by the General Secretary of the Arab League.

The Arbitration Tribunal shall decide its legal procedures, in conjunction with other provisions agreed upon by the Contracting Parties.

Each of the Contracting Party shall be responsible for the expenses of the appointed arbitrator, and both Contracting Parties shall be jointly responsible for the expenses of the arbitration tribunal president and other expenses equally.

The decisions of the arbitration tribunal shall be final and binding for both Contracting Parties.

## **Article 10. Entry Into Force**

This agreement shall enter into force after 30 days of the date of last two notifications by the fulfillment of its ratification according to applicable laws in both Contracting Parties.

## **Article 11.**

This agreement shall remain effective for 10 years, and shall be renewed automatically for a similar period, unless either of the Contracting Parties has notified the other Contracting Party in writing his desire to terminate this agreement prior one year from the date of its expiry. Investments concluded prior to the date of its expiry shall remain subject to the agreement for 10 years of this termination date.

Done on Monday, the 21st of Ragab, 1422 H.J corresponding to the 8th of October, 2001 of duplicated original copies in Arabic language, where both have the same authenticity.

For the Government of the Hashemite Kingdom of Jordan

Wasef Azzar

Minister of Trade and Industry

For the Government of the Syrian Arab Republic

Dr. Moh'd Al-Emadi

Minister of Economy and External Trade.