Agreement between the Government of the Republic of Bulgaria and the Government of the Syrian Arab Republic for the Reciprocal Promotion and Protection of Investments

The Government of the Republic of Bulgaria and the Government of the Syrian Arab Republic, hereinafter referred to as "Contracting Parties"

Desiring to intensify economic cooperation for mutual benefit of both countries,

Intending to create and maintain fair and equitable conditions for investments by investors of either Contracting Party in the territory of the other Contracting Party

Recognizing that the mutual promotion and protection of such investments favor the expansion of economic ties between the two countries and promote investment initiatives

They have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means any kind of investment of an investor of either Contracting Party in the territory of the other Contracting Party in accordance with the law of the Contracting Party in whose territory the investment was made, and shall include in particular, but not exclusively:

a) property rights, limited real rights on real estate, mortgages, liens;

b) shares, stocks, securities, or other forms of participation in a company;

c) monetary claims, negotiable home or claims to performance having economic value;

d) patents, trademarks, trade names, industrial designs, rights processes, know-how, goodwill and other rights to industrial and intellectual property;

e) any right conferred by law, contract or administrative act of a competent authority.

The investment includes the increase in value of investment in letters "a" to "e".

Any change in the form in which assets are invested or reinvested does not affect their character as investment provided that such change is in accordance with the law of the Contracting Party in whose territory the investment has been made.

2. The term "returns" means the amounts legally yielded by an investment such as profits, dividends, interest, capital gains and other lawful income.

3. The term "investor" means:

a) any natural person, a citizen of one of the Contracting Parties in accordance with its legislation;

b) any company, enterprise, company, organization or association, or set up a separate and duly registered under the laws of the Contracting Party and headquartered in the latter.

Article 2. Promotion and Protection of Investments

1. Each Party shall promote and protect in its territory investments by investors of the other Contracting Party and admit such investments in accordance with its laws, giving them fair and equitable treatment and protection.

2. In case of reinvestment of returns on investment, these reinvestments and revenues from them enjoy the same protection as the original investment.

3. Each Contracting Party shall consider favorably and in accordance with its legislation questions concerning entry, stay, work and movement in its territory of nationals of other Contracting Party exercising activities related to investment, and members of their families forming part of their households.

Article 3. Treatment of Investors and Investments

1. Each Contracting Party shall within its territory accord to the investors of the other Contracting Party regarding the expansion, management, operation, maintenance, use, possession and disposal of their investments treatment no less favorable than that accorded to their investors.

2. Each Contracting Party shall accord to investments made in its territory by investors of the other Party treatment no less favorable than that accorded to investments made by its own investors investing in such activities.

3. The provisions of paragraphs 1 and 2 shall not be construed as obliging a Contracting Party to provide investors and their investments of the other Contracting Party the present or future benefit of any advantage or privilege which may be extended by the former Contracting party to investors and their investments to a third country under:

a) participation in, or association with any existing or future customs union, free trade area, economic community, and other international agreements leading to such unions and other forms of economic cooperation or

b) an agreement to avoid double taxation or other arrangements relating to matters of taxation.

4. Each Contracting Party reserves the right to make or maintain in accordance with its legislation exceptions to the national treatment regimen provided under paragraphs 1 and 2. Any new exception, however, applies only to investments made after the entry into effect of this exception.

Article 4. Compensation for Losses

An investor of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, other armed conflict, emergency or other similar events shall be provided in terms of recovery, indemnification, compensation or other settlement no less favorable than that accorded to its own investors.

Article 5. Expropriation and Compensation

1. Investments of investors of either Contracting Party in the territory of the other Contracting Party shall not be nationalized, expropriated or subjected to measures having equivalent effect (hereinafter referred to as "expropriation"), unless they are taken in the public interest, non-discriminatory basis, under due process of law and the prior, adequate and effective compensation.

2. Such compensation shall amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation became public knowledge, depending on which of them is the earlier.

Article 6. Transfer of Payments

1. Each Contracting Party shall accord to investors of the other Contracting Party, after fulfillment of all their tax or other fiscal obligations of its kind free translation:

a) initial and additional sums to maintain or increase the investment;

b) returns from the investment;

c) revenues generated by the total or partial sale or liquidation of the investment;

d) amounts required for the payment of costs arising from the operation of the investment such as loan repayments, payment of patents, licensing fees, royalties or other fees;

e) compensation payable pursuant to Article 4 and Article 5 (ie compensation for losses and compensation for expropriation);

f) the remuneration received by nationals of the other Contracting Party for work done or service rendered in connection

with investments made in its territory in accordance with its laws and regulations.

2. The transfers referred to in the preceding paragraph shall be carried out in accordance with relevant laws and regulations in the country in whose territory the investment is made, without delay in the convertible currency agreed between the parties, on market exchange rate on the date of transfer in the territory of the host Contracting Party.

Article 7. Subrogation

If a Contracting Party or its designated agency makes payment to one of its own investors under a guarantee or contract of insurance given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize the transfer of any right or action belonging to such investor to the first Contracting party or its designated agency and the right of the former Contracting party or its designated agency to exercise by virtue of subrogation any such right or claim to an amount not exceeding the right of the transferor to her.

Article 8. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of the provisions of this Agreement shall be settled as far as possible, amicably through negotiations.

2. If such a dispute between the Parties is resolved in accordance with paragraph 1 within six months from the date on which they are requested negotiations, it may be submitted at the written request of either Contracting Party for an arbitral Court.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way: Within three months of receipt of a request for arbitration, each Contracting Party shall appoint one member of the tribunal; then those two members choose a third country maintains diplomatic relations with each of the Contracting Parties, appointed Chairman of the tribunal; Chairman shall be appointed within two months from the date of appointment of the other two members.

4. If the time limits specified in par. 3 shall not be made the necessary appointments, each Contracting Party shall, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a citizen of either Contracting Party or if he is unable otherwise to fulfill this function, the Vice President will be invited to make the necessary appointments. If the Vice President is a citizen of either Contracting Party or if he too is prevented from discharging this function, the next most senior Member of the International Court of Justice who is not a citizen of either Contracting Party shall be invited to make the necessary appointments.

5. The arbitral tribunal shall reach its decision based on the provisions of this Agreement, and based on generally accepted principles and norms of international law. The court shall determine its own procedure.

6. The arbitral tribunal shall reach its decision by majority vote. This decision is final and binding on both parties.

7. Each Contracting Party shall bear the costs of its member of the tribunal and of its representation in the arbitration process. The costs of the Chairman and other costs are borne by the Parties equally.

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

1. Disputes between an investor of one Contracting Party and the other Contracting Party in respect of an investment of that investor in the territory of the latter Contracting Party shall be permitted as far as possible, amicably through negotiations.

2. If such a dispute can not be settled within six months from the date of submission of written notification to that effect, the investor may refer the dispute to the competent court of the Contracting Party in whose territory was carried out investment.

3. In the event of a dispute under Article 4, 5, 6 and 7 of this contract chosen by the investor dispute may be referred for settlement to:

a) the competent court of the Contracting Party in whose territory the investment has been carried out; or

b) the arbitral tribunal ad hoc, which will be established under the Arbitration Rules of the Commission of the United Nations on International Trade Law (UNCITRAL); or

c) the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed in Washington on March 18, 1965, in case both Contracting Parties parties to this Convention.

4. The arbitral tribunal shall take its decision based on national law of the Contracting Party in whose territory the investment is made, based on the provisions of this Agreement and the generally accepted principles and norms of international law.

5. The decision of the Arbitration Court shall be final and binding on both parties to the dispute and enforced in accordance with the domestic law of the Contracting Party concerned.

Article 10. Consultations

Any Contracting Party may request the other Contracting Party to launch a consultation on all matters relating to the interpretation and application of this contract. The location and timing of such consultations shall be agreed through diplomatic channels.

Article 11. Application

This contract applies to all investments made in the territory of each contracting party after the entry into force of this Treaty and in accordance with its legislation by investors of the other Contracting Party.

Article 12. Entry Into Force, Duration and Termination

1. This Agreement shall enter into force on the thirtieth day after the date on which the Parties have notified each other that they have fulfilled their constitutional requirements for the entry into force of this Treaty.

2. This contract is concluded for a period of ten years. After this period its validity shall be automatically extended for each subsequent period of five years if neither Contracting Party notifies in writing the other Contracting Party of its intention to terminate it. Such written notice shall be made through diplomatic channels at least twelve months before the expiry of the extended period.

3. In respect of investments made prior to the date on which the notice of termination of this Agreement enters into force, the provisions of Articles 1 to 11 shall remain in force for a further period of ten years from the date of notification referred to in para. 2 of this article.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this contract.

Done in duplicate in Damascus on May 21, 2000 in Bulgarian, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation of this Agreement shall prevail English text.

For the Government of the Republic of Bulgaria:

Peter Jotev, Minister of Economy

For the Government of the Syrian Arab Republic:

Mohammed al-Imad, Minister of Economy and Foreign Trade