Agreement between the Republic of Bulgaria and the Great Socialist People's Libyan Arab Jamahiriya for mutual encouragement and protection of investments

Republic of Bulgaria and the Great Socialist People's Libyan Arab Jamahiriya, hereinafter referred to as "Contracting Parties", desiring to develop economic cooperation between the two countries engaged in the promotion and creation of favorable conditions for investments by investors of either Contracting Party in the territory of the other party on the basis of equality and mutual benefit, recognizing that the reciprocal promotion and protection of investments under this contract stimulate initiatives in this field, have agreed as follows:

Article 1.

For the purposes of this Agreement:

1. The term "Investments"

It will mean all investments made by investors of either Contracting Party in the territory of the other Contracting Party in the following forms:

a) ownership and any other property rights, as well as pledge or mortgage or similar rights;

b) shares, stocks or securities, materializing participation in companies;

c) making rights and any other rights having economic value;

d) copyright, in the field of industrial and intellectual property (such as patents, licenses, industrial designs, trademarks, trade names), technical processes, know-how and goodwill;

e) rights to exercise economic activities conferred by law under a contract or an administrative act of a competent authority and in particular to search for, cultivate, extract or exploit natural resources. These investments must be in accordance with the law of the Contracting Party in whose territory has been done or will be done investment. A subsequent change of the form in which investments have been made will not affect their character as investments, provided that this change does not contradict the laws of the Contracting Party in whose territory they were committed investment.

2. The term "income"

It will mean all amounts yielded by investments such as profits, dividends, interest and other lawful income.

3. The term "investor"

Will mean in relation to each Contracting Party:

a) natural persons who are nationals of a Contracting Party in accordance with its applicable laws;

b) any company, organization or association with or without legal personality, incorporated or constituted under the law of a Contracting Party established in its territory.

4. The term "territory"

;shall mean the territory under the sovereignty of the Republic of Bulgaria, on the one hand and of the Great Socialist People's Libyan Arab Jamahiriya, on the other hand, including the territorial sea and continental shelf and the exclusive economic zone over which the respective State exercises sovereign rights or jurisdiction in accordance with international law.

Article 2.

1. Each Party shall promote and protect their territory 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 from an investment, these reinvestments and their returns shall enjoy the same protection as the initial investments.

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 who carry out activities associated with investments, as defined in this contract, as well as their family members living in one household.

Article 3.

1. None of the Contracting Parties will submit to the investments made in its territory by investors of the other Contracting Party treatment less favorable than that accorded to investments of its own investors or investments of investors of any third country, depending on which mode is more favorable.

2. None of the Contracting Parties will extend to the investors of the other Contracting Party in respect of activities related to the management, maintenance, use, possession and disposal of their investments in its territory, treatment less favorable than that which to its own investors or investors of any third state, depending on which mode is more favorable.

3. The provisions of par. 1 and 2 of this Article shall not be construed as obliging a Contracting Party to extend to investors of the other Contracting Party the privileges granted to a third country on the basis of:

a) participation in or association with any existing or future customs union, free trade area, economic communities or similar international institutions or

b) contracts for the avoidance of double taxation.

4. Each Contracting Party reserves the right to make in accordance with its legislation exceptions to the national treatment granted under par. 1 and 2 of this Article. Any new exception will apply only to investments made after the entry into force of this exception.

5. If the national law of the Contracting Parties present or future international agreements applicable between the Contracting Parties or other international treaties to which they are parties, contain regulations, whether general or specific, entitling investments by investors of the other Contracting party to a treatment more favorable than that provided for in this agreement, such provisions will prevail over this contract to the extent that they are more favorable.

Article 4.

The investors of the Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, other armed conflict, revolution, state of national emergency, revolt, insurrection or rebellion, shall be accorded by the latter Contracting Party treatment respect of restitution, indemnification, compensation or other settlement no less favorable than that which the latter Contracting party shall accord to investors from third countries.

Article 5.

1. Investments of investors of either Contracting Party shall not be expropriated or nationalized in the territory of the other Contracting Party except by virtue of law, particularly important needs of the state, non-discriminatory basis and against prior and adequate compensation. The same conditions will apply also when crossing the investments in public property placed under public control, as well as any withdrawal or restriction of property rights of investors of either Contracting Party by sovereign measures involving consequences They are equal to expropriation.

2. The compensation shall amount to the market value of the expropriated investment at the time immediately before action is taken by expropriation or impending expropriation became public knowledge, whichever is earlier. When you can not be estimated market value compensation will be determined in accordance with internationally recognized principles of valuation. Such compensation shall be calculated in a freely convertible currency based on the prevailing market exchange rate on the measurement date and shall include interest at the rate applicable in the territory of that Contracting Party from the date of expropriation until the date of payment. Finally determine the compensation to be paid without delay, be effectively realizable and free transferable.

Article 6.

1. Each Contracting Party shall accord to investors of the other Contracting Party after the fulfillment of all tax obligations to investors free transfer of:

a) capital and additional amounts intended to maintain or increase the investment;

b) returns from the investment;

c) proceeds obtained from the sale or total or partial 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 or license fees or other expenses;

e) compensation payable in accordance with Articles 4 and 5;

f) the remuneration received by nationals of the other Contracting Party for work or services rendered in connection with investments made in its territory, in accordance with its legislation.

2. The transfers referred to in the preceding paragraph shall be made without delay, at the exchange rate prevailing on the date of transfer in the territory of the Contracting Party where the investment was made.

3. In accordance with the legislation of each of the Contracting Parties of all transfers covered by this Article shall be accorded treatment no less favorable than that accorded to transfers made by investors of any third state.

Article 7.

1. A Contracting Party which by virtue of a guarantee given for an investment made in the territory of the other Contracting Party has made payment to one of its own investors, will be empowered by virtue of subrogation to exercise the rights and claims and also to assume the obligations of the said investor. Subrogation in the rights and obligations of the insured investor extends also to the law on the transfer of payments referred to in Article 6. Paying Contracting Party shall not acquire rights or assume obligations greater than those of securities investor.

2. In the case of subrogation as defined in par. 1 of this article, the investor loses the right to lodge claims or other claims if there has been prior authorization of the Contracting Party.

Article 8.

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall be settled as far as possible by negotiation between the Parties.

2. If a dispute between the Contracting Parties can not be settled in this way within six months from the start of negotiations, it may be referred, at the request of one of the contracting parties, an arbitral tribunal.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way: Within three months of receipt of the request for arbitration, each Contracting Party shall appoint one member of the court. These two members shall third State who on approval by the two Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may, 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 execute the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting countries and also is prevented from discharging the said 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 take its decisions based on the provisions of this Agreement and the generally accepted principles and norms of international law. The arbitral tribunal shall reach its decision by majority vote. This decision will be final and binding on both parties. The tribunal determines its own procedure.

6. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings. The costs of the Chairman and the remaining costs shall be borne equally by the Parties.

Article 9.

1. A dispute between an investor of one Contracting Party and the other Contracting Party relating to the obligations of the latter under this Agreement in connection with the investment of the investor shall be resolved as far as possible, through negotiations.

2. If such a dispute can not be settled within six months from the date on which either Contracting Party has requested settlement through negotiations, the investor may refer the dispute to the competent court of the Contracting Party, Party the dispute.

3. In the event of any dispute in terms of article 5 and 6 of this contract, the investor may choose instead to resolve the dispute through arbitration before an arbitral tribunal ad hoc. For this purpose each Contracting Party declares its consent to the use of the aforementioned international arbitration. The arbitral tribunal shall be established and operated in accordance with the Arbitration Rules of the Commission of the United Nations on International Trade Law (UNCITRAL).

4. The arbitration tribunal shall reach its decision on the basis of national laws and regulations of the Contracting Party which is a party to the dispute, the provisions of this Treaty and the fundamental principles of international law.

5. The decision of the arbitral tribunal shall be final and binding on both parties to the dispute and will execute in accordance with the local laws of the Contracting Party concerned.

6. Any party to the dispute shall bear the costs of its arbitrator and his performance in the arbitration process. The costs of the chairman and other costs shall be borne equally by the parties to the dispute.

Article 10.

Any Contracting Party may propose to the other Contracting Party to enter into consultations on all matters concerning the application and interpretation of this contract. The other Contracting Party shall take the necessary measures for such consultations. These consultations will be held at the suggestion of one of the contracting parties in place and at a time agreed through diplomatic channels.

Article 11.

The provisions of this Agreement shall apply to investments made by investors of either Contracting Party in the territory of the other Contracting Party before the entry into force of this Treaty.

Article 12.

1. This Agreement is subject to ratification and shall enter into force thirty days after the date of exchange of instruments of ratification.

2. This Agreement shall remain in force for a period of 15 years and will automatically continue to be valid for the subsequent five-year periods, unless either Contracting Party notifies in writing at least 12 months before the expiry of the initial period or some other subsequent periods Contracting party of its decision to terminate the contract.

3. In respect of investments made prior to the date of termination of this Agreement, the provisions of Articles 1 to 11 will continue to operate until terminated and / or liquidation of those investments.

DONE in Sofia on 19.HI.1999, in two originals in the Bulgarian and Arabic languages, all texts being equally authentic.