A G R E E M E N T BETWEEN BOSNIA AND HERZEGOVINA AND THE ARAB REPUBLIC OF EGYPT CONCERNING THE PROMOTION AND RECIPROCATL PROTECTION OF INVESTMENTS

The Council of Ministers of Bosnia and Herzegovina and the Government of The Arab Republic of Egypt hereinafter referred to as the contracting parties,

Desiring to intensify economic co-operation to the mutual benefit of both states;

Intending to create and maintain favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognising the need to promote and protect foreign investments with the aim to foster the economic prosperity of both Contracting Parties,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investor" refers with regard to either Contracting Party to:

a) Natural persons having the nationality of the Contracting Party;

b) Legal entities, including companies, corporations, business associations and other organizations, which are constituted or otherwise duly organized under the law of that Contracting Party and have their seat, together with real economic activities, in the territory of that same Contracting party,

2. The term "investment" means any kind of asset invested by an investor of one Contracting Party, provided that they have been made in accordance with the laws and regulations of the other Contracting Party and shall include in particular though not exclusively:

a) Movable and immovable property as well as any other rights in rem, such as servitudes, mortgages, liens and pledges.

b) Shares, Parts or any other of participation in companies;

c) Claims to money or to any performance having an economic value;

d) Copyrights, industrial property rights (such as patents, utility models, industrial designs or models, trade or service marks, trade names indications or origin) know-how and goodwill.

e) Rights granted by a public authority to carry out an economic activity, including concessions, for example to search for, extract or exploit natural resources.

3. Any change in the form of an investment, admitted in accordance with the laws and regulations of the Contracting Party in whose territory the investment was made, does not effect its character as an investment.

4. The term "returns" means all amounts yielded by an investment and in particular, though not exclusively, profits, interest, capital gains, dividends, royalties, fees or other current income;

5. The term "territory" means:

a) With respect to the Arab Republic of Egypt – the territory under its sovereignty including the territorial waters as well as seabed areas over which the Arab Republic of Egypt exercises, in conformity with international law, sovereign rights or

Jurisdiction,

b) With respect to Bosnia and Herzegovina: all land territory of Bosnia and Herzegovina, its territorial water, its seabed and subsoil and air space above in conformity with international law:

Article 2. Promotion and Admission of Investments

1. Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party and admit such investments in accordance with its laws and other regulations.

2. When a Contracting Party shall have admitted an investment in its territory, it shall grant in accordance with its laws and other regulations the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance. Each Contracting Party shall, whenever needed, endeavour to issue the necessary authorizations concerning the activities of consultants and other qualified persons of foreign nationality.

Article 3. Protection and Treatment of Investments

1. Each Contracting Party shall protect within its territory investments made in accordance with its laws and regulations by investors of the other Contracting Party and shall not impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, sale and eventually, liquidation of such investments.

2. Each Contracting Party shall ensure fair and equitable treatment, within its territory, of the investments of the investors of the other Contracting Party. This treatment shall not be less favourable than that granted by a Contracting Party to investments made in its territory by investors of the most favoured nation, if this latter treatment is more favourable. As for joint ventures they shall enjoy the aforementioned treatment as entity.

3. The treatment of the most favoured nation shall not apply to privileges which either Contracting Party accords to investors of a third State because of its membership in, or association with, a free trade area, customs union, common market or to an existing or future convention on the avoidance of double taxation or an convention on other fiscal matters.

Article 4. Expropriation and Compensation

1. Neither of the Contracting Party shall take measures of expropriation, nationalization or any other measures having the same nature or an equivalent effect against investments belonging to investors of the other Contracting Party unless the measures are taken in the public interest, on a non-discriminatory basis and under due process of law and provided that provisions be made for effective and adequate compensation. Such compensation shall amount to the market value of the expropriated investment immediately before the expropriation has been officially announced or made public whatever is the earliest.

The amount of compensation shall be settled in the currency convertible and freely transferable and paid without undue delay to the persons entitled there to without regard to its residence or domicile. A transfer shall be deemed to be made "without undue delay" if effected within such period as is normally required for the completion of transfer formalities. The said period shall commence on the day on which the relevant request has been submitted and may not exceed three months.

2. Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to war or other armed conflict, a state of national emergency, revolt, insurrection or riot shall be accorded, with respect to restitution, indemnification, compensation or other settlement, a treatment which is no less favourable than that accorded to its own investors or to investors of any third State resulting payments shall, whenever possible, be transferable without delay, in the convertible and freely transferable currency.

Article 5. Transfer

1. Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant those investors a free transfer of the payments relating to these investments, particularly of:

a) The capital and additional sums necessary for the maintenance and development of the investment.

b) Gains, profits, interests, dividends and other current income.

c) Funds in repayment of loans regularly contracted and documented and directly related to a specific investment.

d) Royalties and fees.

e) The proceeds from a total or partial liquidation of an investment;

f) Compensation provided for in Articles 4.

g) The earnings of nationals of one Contracting Party who are allowed to work in connection with an investment in the territory of the other.

2. Transfers shall be effected without delay in a freely convertible currency in the official applicable exchange rate at the date of the transfer, in accordance with the procedures established by the Contracting Party in whose territory the investment was made, which shall not imply a rejection, a suspension or denaturalization of such transfer.

3. The Contracting Parties undertake to accord to transfers referred to in paragraphs 1 and 2 of this Article a treatment no less favourable than that accorded to transfers originating from investments made by investors of any third State.

Article 6. Subrogation

1. If a Contracting Party or any agency thereof makes a payment to any of its investors under a guarantee or insurance, it has contracted in respect of an investment, the other Contracting Party shall recognise the validity of the subrogation in favour of the former Contracting Party or agency thereof to any right or title held by the investor, provide that investor has exhausted the legal and administrative means for settlement of disputes in the host Contracting Party.

2. The Contracting Party or any agency thereof which is subrogated in the rights of an investor shall be entitled to the same rights as those of the investor and to the extent that they exercise such rights they shall do so subject to the obligations of the investor pertaining to such insured investment.

3. In the case of subrogation as defined in paragraph 1 above, the investor shall not pursue a claim unless authorised to do so by the Contracting Party or any agency thereof.

Article 7. Disputes between One Contracting Party and an Investor of the other Contracting Party

1. Disputes between one of the Parties and an investor of the other Party shall be notified in writing, including detailed information, by the investor, at the same time, to the both Contracting Parties. Any dispute between the Contracting Party and an investor of the other Party shall be settled peacefully by consultation and negotiations through diplomatic channels.

2. If these disputes cannot be settled in this way within six months from the date of the written notification mentioned in paragraph 1. The conflict shall be submitted, at the choice of the investors to:

- The competent tribunal of Bosnia and Herzegovina for investments made in the territory of the Bosnia and Herzegovina or the competent tribunal of the Arab Republic of Egypt for investments made in the territory of the Arab Republic of Egypt.

- The ad hoc court of arbitration established under the Arbitration rules of procedure of the United Nations Commission for International Trade Law (UNCITRAL).

- The International Centre for Settlement of Investment Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes between States and Nationals of other States" in case both Contracting Parties have become signatories of this Convention.

- The Cairo Regional Centre for International Commercial Arbitration.

- The Arbitration Court of Chamber of Economy of Bosnia and Herzegovina in Sarajevo.

3. The arbitration award shall be based on:

- The provisions of this Agreement.

- The law of the Contracting Party in whose territory the investment was made, including the rules relative to conflicts of laws.

- The rules and the universally accepted principles of international law.

4. The arbitration decisions shall be final and binding for the Parties in conflict. Each Contracting Party undertakes to execute the decisions in accordance with its law.

Article 8. Disputes between Contracting Parties

1. Disputes between Contracting Parties regarding the interpretation and application of the provisions of this Agreement shall be settled by consultations and negotiations through diplomatic channels.

2. If both Contracting Parties cannot reach an agreement within twelve months after the beginning of the dispute between themselves, the latter shall, upon request of either Contracting Party, be submitted to an arbitration tribunal which shall be constituted as follows:

Each Contracting Party shall appoint an arbitrator and these two arbitrators shall nominate a chairman who shall be a national of a third State, which maintains diplomatic relations with both Contracting Parties.

3. If one of the Contracting Parties has not appointed its arbitrator and has not followed the invitation of the other Contracting Party to make that appointment within two months, the arbitrator shall be appointed upon the request of that Contracting Party by the President of the International Court of Justice.

4. If both arbitrators cannot reach an agreement about the choice of the chairman within two months after their appointment, the latter shall be appointed upon the request of either Contracting Party by the President of the International Court of Justice.

5. If, in the cases specified under paragraphs 3 and 4 of this Article, the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the Vice-President, and if the latter is prevented or if he is national of either Contracting Party, the appointment shall be made by the most senior Judge of the Court who is not national of either Contracting Party.

6. Subject to other provisions made by the Contracting Parties, the tribunal shall determine its procedure. The tribunal shall reach its decisions by a majority of votes.

7. The decisions of the tribunal are final and binding for each Contracting Party.

8. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings; the cost of the chairman and the remaining costs shall be borne in equal parts by the Contracting Parties.

The tribunal may, however, decide that a higher proportion of costs shall be borne by one of the two Contracting Parties and this award shall be binding on both Contracting Parties.

Article 9. More Favourable Provisions

If the domestic law of either Contracting Party, or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to this Agreement contain a regulation, whether general or specific entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such regulation shall to the extent that it is more favourable prevail over this Agreement.

Article 10. Consultations and Exchange of Information

Upon request by either Contracting Party, the other Contracting Party shall agree promptly to consultations on the interpretation or application of this Agreement. Upon request by either Contracting Party, information shall be exchanged on the impact that the laws, regulations, decisions, administrative practices or procedures or policies of the other Contracting Party may have on investments covered by this Agreement.

Article 11. Entry Into Force

This Agreement shall enter into force on the date of exchanging notes indicating completion of domestic legal requirements for the entry into force of international agreements in both countries.

Article 13. Duration and Denunciation

1. This Agreement shall remain in force for a period of ten (10) years and shall continue being in force thereafter for a

similar period or periods unless, one year before the expiration of the initial or any subsequent period, either Contracting Party notifies the other Contracting Party of its intention to denounce the Agreement. In that case, the notice of denunciation shall become effective by the expiration of current period of ten (10) years.

2. In respect of investments made prior to the date when the notice of denunciation of this Agreement becomes effective, the provisions of this Agreement shall continue to be effective for a period ten years from the date of denunciation of this Agreement.

DONE in Cairo on March, 1998 in two original versions, in Bosnian, Arabic and English languages, all three texts being equally authentic. In a case of divergence of interpretation, the English text shall prevail.

For the Council of Ministers of Bosnia and Herzegovina

Mirsad Kurtovi

Minister of Foreign Trade

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