

# **Agreement between the Government of the Arab Republic of Egypt and the Government of the Republic of Tunisia on promotion and protection of investments**

The Government of the Arab Republic of Egypt and the Government of the Republic of Tunisia, hereinafter referred to as (the Contracting Parties)

- Desiring to closer economic relations and intensify cooperation and strengthen the development of the two countries in the framework of the joint higher committee between them.
- Convinced that the protection of investments in virtue of an international agreement would push toward special economic initiatives and support the prosperity of both countries.
- Realizing the necessity of granting the natural and legal persons of each of the Contracting Parties, fair and equitable treatment for their investments in the territory of the other Contracting Party.

## **Article 1. Definitions**

According to the concept of this agreement, the terms

A. "Investments" shall include all sorts of gains formed or recognized in the host country in accordance to the applicable laws. "investments" includes, in particular, and not limited to the following:

1. Movable property, real estate, every other property right and the guarantees related thereto such as mortgages, Franchises, and other mortgages.
2. Values, stocks, shares and corporate bonds.
3. Debt and every paid service as result of a contract.
4. Intellectual property rights and non-material elements relate to commercial assets.
5. Franchises rights granted under a law or contract, including rights relating to extraction, exploitation and searching of natural resources, which is given to the beneficiaries by legal form for a certain period.

B. "Revenues" are the amounts generated by investment in particular, and not limited to, all profits, interest, dividends on the shares and royalties in accordance with the applicable laws of the host country.

C. "Nationals"

1. For the Arab Republic of Egypt; shall mean natural persons holding the Egyptian nationality, and legal persons established in accordance with the laws in force in the Arab Republic of Egypt.
2. For the Republic of Tunisia; shall mean natural persons holding the Tunisian nationality, and legal persons established in accordance with the laws in force in the Republic of Tunisia.

D "Territory":

1. For the Arab Republic of Egypt: it shall mean on territory of the Arab Republic of Egypt.
2. For the Republic of Tunisia: it shall mean on territory of the Republic of Tunisia.

## **Article 2. Promotion and Protection of Investments**

1. Each of the Contracting Parties shall encourage the nationals of the other Contracting Party to invest capital in its

territory, provides appropriate conditions for these investments, permit the entry of the mentioned capitals and provides the necessary facilities and incentives while retaining the right of each Contracting Party to exercise the powers assigned to it by its laws.

2. The investments of each party that are made in accordance with the conditions of the national legislation of the host country, shall enjoy full protection and fair and equitable treatment.

3. Each Contracting Party shall provide the facilities and grant the necessary permits to enter, exit, residence and work, for the investor and those whose businesses related permanently or temporarily to investments, such experts, managerial, technicians and workers, in accordance to the applicable laws of the host country.

### **Article 3. National Treatment**

1. Each Contracting Party shall not subject the investments and the revenues of the nationals of the other Contracting Party in its territory, to treatment less favorable than the treatment accorded to the investments and the revenues of its nationals.

2. Each Contracting Party shall not subject to the nationals of the other Contracting Party in its territory, to treatment less favorable than the one accorded to its nationals in respect to the disposition, use and utilization by these nationals of their investments or its free transfer.

### **Article 4. Compensation for Losses**

In case of the investments of the nationals of one Contracting Party on the territory of the other Contracting Party suffer losses as a result of war, another armed conflict, revolution, national emergency, civil disturbances, riots or similar situations that occur on the territory of the Contracting Party, the latter shall grant to those nationals a treatment not less favorable than that accorded to its nationals in respect to reparations, compensation or any other form of settlement.

### **Article 5. Expropriation**

1. The investments of the nationals of any Contracting Party shall not be expropriated or nationalizes, and shall not be subject to any measure having equivalent effects on the territory of the other Contracting Party unless the following conditions are met:

A. Such measures are taken for the benefit of the public interest and in accordance with the law.

B. The mentioned measures are taken on a non discriminatory basis.

C. Such measures are accompanied by prompt, actual and adequate compensation, and freely transferable between the territories of the Contracting Parties in accordance with the applicable exchange rate systems in both countries.

2. The provisions of the first paragraph of this Article also apply to the revenues resulting from the investment.

### **Article 6. Transfer of Investments and Revenues**

1. Each of the Contracting Parties in accordance to its laws and regulations, shall, without any delay and with any convertible currency, allow the transfer of:

A. Profits and dividends distributed on shares, royalties, and stipends, including assistance, technical services, interest, and all other revenues resulting from the investment of the nationals of the other Contracting Party.

B. The revenues from full or partial liquidation of investments carried out by the nationals of the other Contracting Party.

C. Repayment of loans, which is obtained by the nationals for the nationals of the other Contracting Party.

D. Wages of the nationals of the other Contracting Party authorized to work in the territory of the other Contracting Party within the framework of the investment.

2. Each Contracting Party shall grant to the transfers referred to in the first paragraph of this Article, a treatment not less favorable than the treatment accorded to the transfers resulting from investments made by nationals of any third country.

### **Article 7. Exception**

As an exception to the provisions of Article 3 of this Agreement, the Contracting Party, which has an agreement with a State or several other States on the establishment of a customs union, a free trade area or any other Agreement based on economic cooperation, shall enjoy the freedom of granting more favorable treatment to investments done by the State or States that are Parties to the mentioned Agreement or to investments done by the nationals of these States.

## **Article 8. Settlement of Disputes**

1. Disputes arise between the Contracting Parties regarding the interpretation or application of this Agreement shall be settled as much as possible by diplomatic means.
2. If the dispute cannot be settled by such means, it may be submitted at the request of one of the Contracting Parties to an arbitral tribunal. Each Contracting Party shall also accept to submit each legal dispute that arises between it and one of the nationals of the other Contracting Party regarding an investment established in its territory to the mentioned tribunal.
3. The arbitral tribunal is constituted according to each case as follows:  
  
Each of the Contracting Parties shall appoint a member to the tribunal within two months from the date of reception of the request for arbitration, and the two members shall choose the third member who is a national of another State to be appointed as a President to the tribunal, after the approval of both Contracting Parties, within two months after the date of nomination of the two members.
4. If the needed appointments were not done during the time limits set out in paragraph (3) of this Article, and in the lack of any other agreement, either Contracting Party can invite the Arab Investment Guarantee Corporation to make the necessary appointments.
5. The arbitral tribunal shall take decisions by majority vote, and its decisions are considered binding on the Contracting Parties.
6. Each Contracting Party shall bear the expenses related to the member it appoints in the arbitral tribunal as well as expenses related to its representation in the proceedings before the arbitral tribunal. Both Contracting Parties shall bear the expenses related to the President and other expenses, the tribunal may decide to allocate them to one of the parties as it deems appropriate, and such decision shall be binding on the parties. The arbitral tribunal shall determine its own procedures.
7. Nationals of one of the Contracting Parties may submit to the local judicial authorities of the other host Contracting Party a legal dispute that arises between them and the other Contracting Party regarding investment made in the territory of the latter, but if a national of a Contracting Parties chose to bring a claim before that authority, such national shall not be allowed to bring it before any other authority.

## **Article 9. Contracting Parties Subrogation of Their Nationals**

If one Contracting Party pays money for the benefit of its nationals under a guarantee which is accorded to an investment in the territory of other Contracting Party, the latter shall recognize for the first party according to the law or a contract, and without prejudice to the rights and claims of this Party resulted from Article 8 above, the transfer of all the rights and claims of its nationals, and the host party shall recognize to the first party the subrogation for its nationals in all that is related to rights and claims (transferred rights) being entitled to their use to the extent allowed to its nationals that were subrogated. This also applies on the transfer of payments to the Contracting Party concerning the transfer of rights of the provisions of Articles 3, 4 and 6 after the necessary adjustments.

## **Article 10. Duration and Termination**

This Agreement remains valid for a period of five years and is automatically renewed for the same term, unless one of the parties notified the other party in writing, of its intention to terminate the Agreement twelve months prior to the expiration. The Agreement shall remain in force for another five years starting from the date of termination for the investments established during the duration of this Agreement, taking into account the application of the rules of the international law after the expiry of this period.

This Agreement shall enter into force after the completion of the procedures approved by the competent authorities in both countries and the exchange of instruments of ratification.

This Agreement was written in Tunisia in two originals in Arabic, both have the same authenticity, on Friday, 9 Jumada I 1410 AH, December 8, 1989.

For the Government of Arab Republic of Egypt

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