Agreement on the Promotion and Reciprocal Protection ofInvestrnents between the Government of the Arab Republic of Egypt and the Executive Authority of Georgia

The Government of the Arab Republic of Egypt and the Executive Authority of Georgia, 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 favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing 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 purpose of this Agreement,

1. The term "Investment" shall mean any kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party, in accordance with the laws and regulations of the latter 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, pledges;

(b) Shares, parts or any other kinds 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 of origin), know-how and goodwill;

(e) Rights granted under public law or under contract, including rights to prospect, explore, extract and win natural resources.

Any change in the form of an investment, admitted in accordance with laws and regulations of the Contracting Party in whose territory the investment was made, does not affect its character as an investment. 2. The term "Investor" refers with regard to either Contracting Party:

(a) Natural persons having status of nationals of the Arabic Republic of Egypt and nationals of Georgia according to their laws;

(b) Legal persons, 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;

3. The term "territory" means:

In respect of each Contracting Party, the territory of the Arab Republic of Egypt and the territory of Georgia recognized by the international community within the state borders of the Arab Republic of Egypt and Georgia, including the internal waters, territorial sea, the air space above them, the exclusive economic zone and continental shelf adjacent to its sea coast, with respect of which the Arab Republic of Egypt and Georgia, in accordance with the international law, may exercise sovereign rights. 4. The term "returns" means the amount yielded by an investment and includes in particular, profits,

interest capital gains, dividends, royalties and fees.

5. The term "laws and regulations" with respect to each Contracting Party shall mean the laws and regulations of the State of the Contracting Party concerned.

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 the necessary permits, in accordance with its legislation, 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, endeavor to issue the necessary authorizations concerning the activities of consultants and ether 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 or the other Contracting Party and shall not impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, sale, or disposal of such investments.

2. Each Contracting Party shall in its territory accord investments or returns of investors of the other Contracting Party treatment not less favorable than that which it accords to investments or returns of its own investors or to investments or returns of investors of any third State, whichever is more favorable to the investor concerned.

3. Each Contracting Party shall in its territory accord investors of the other Contracting Party, as regards the management, maintenance, use, enjoyment or disposal of their investments, treatment not less favorable than that which it accords to its own investors or investors of any third State, whichever is more favorable to the investor concerned.

4. The provisions under point 1. 2 and 3 of this Article do not refer to the advantages and privileges which one Contracting Party may grant to investors of third States by virtue of its membership of a Customs or Economic Union, of a Common Market, of a Free Trade Area, of a regional and sub-regional Agreement, of an international multilateral economic Agreement or under Agreements stipulated in order to prevent double taxation or to facilitate cross-border trade.

Article 4. Expropriation and Compensation

1. Neither of the Contracting Parties shall take measures of expropriation, nationalization or any other measures having the same nature or the same effect against investments of investors of the other Contracting Party, unless the measures are taken in the public interest, on a non-discriminatory basis, 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 investment expropriated immediately before the expropriation action was taken or became public knowledge, whichever is earlier.

The amount of compensation shall be settled in the Currency convertible and freely transferable and paid without undue delay to the person entitled thereto 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 or 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 the one Contracting Party who suffer losses in respect of their investments in the territory of the other Contracting Party owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favorable than that which that Contracting Party accords to its own investors or to investors of any third State, whichever is more favorable to the investors concerned.

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 the free transfer of amounts relating to these investments, particularly of:

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

b) Gains, profits, interest, dividends and other current incomes;

c) Repayments of loans;

d) Royalties and fees;

e) The proceeds of the partial or total sale or liquidation of the investment;

f) Compensations provided for in article 4 above;

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 Contracting Party.

2. Transfers shall be effected without delay in a freely convertible currency according to the normal applicable exchange rate as the date of the transfer, in accordance with the procedures established by the Contracting Party in whose territory the investment was made. These procedures 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 favorable than that accorded to transfers originating from investments made by investors of any third State.

Article 6. Principle of Subrogation

1. If a Contracting Party or any agency thereof makes a payment to any of its investors under a guarantee or insurance in respect to investment, the other Contracting Party shall recognize the validity of the subrogation in favor of the former Contracting Party or agency thereof to any right or tittle held by the investor, provided that that investor has exhausted the legal and administrative means for settlement of disputes in the territory of the host Contracting Party.

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. 2. In the case of subrogation as defined in paragraph 1 above, the investor shall not pursue a claim unless authorized 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. Both Contracting Parties shall be notified at the same time of any dispute between one of the Contracting Parties and an investor of the other Contracting Party in writing by the investor concerned including detailed information regarding the dispute. Any dispute between one Contracting Party and an investor of the other Contracting Party shall be settled peacefully by consultation and negotiation 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 above, the conflict shall be submitted, at the choice of the investors to:

Cairo Regional Center for International Commercial Arbitration for investments made in the territory of the Arab Republic of Egypt or to the Georgian Court for investments made in the territory of Georgia. 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 Center 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. 3. The arbitration award shall be based on:

- The provisions of this Agreement;

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

- The rules and universally accepted principles of international law.

4. The arbitration decisions shall be final and binding for the Parties of the disputes. Each Contracting Party undertakes to execute the decisions in accordance with its national 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 consultation and negotiation 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 a national of either Contracting Party, the appointment shall be made by the most senior Judge of the Court who is not a national of either Contracting Party.

6. If not agreed otherwise, the tribunal shall determine its procedures. 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 costs of its own member of the tribunal and of its representation in the arbitral proceedings; the costs of the chairman and remaining costs shall be borne in equal parts by the Contracting Parties. The tribunal may, however, in its decision direct 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 Favorable 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 favorable than is provided for by this Agreement, such regulation shall to the extent that its more favorable 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 day when both Contracting Parties have notified each other in writing that they have complied with the legal requirement for the entry into force of this Agreement. The date of the last notification being the date of the entry into force.

Article 12. 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, in writing, of its intention to denounce the Agreement. In that case, the notice of denunciation shall become effective by the expiration of the 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 of ten years from the date of denunciation of this Agreement.

Done at Cairo, on June 03. 1999, in two original copies, in the Arabic, Georgian and English languages, all three texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

For the Government of the Arab Republic of Egypt

Amre MOllssa

Minister of Foreign Affairs of the Arab Reputlic of Egypt

For the Executive Authority of Georgia

Irakli Mengarishvili

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