Agreement on the Encouragement and Mutual Protection of Investments between the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan

The Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan (hereinafter referred to as the Contracting Parties), in order to encourage and protect investment between the two countries and strengthen their relations,

And determined to create favorable conditions and greater opportunities for further investment between the investors of the two countries and believing in the increasing importance of encouraging and protecting investments for investors to take more investment initiatives and achieve prosperity and prosperity in the two countries,

Recognizing that these objectives can be achieved without prejudice to legislation and health and safety regulations, and the applicable environmental law of the two States, have agreed as follows:

Article 1.

For the purposes of this Convention, the following terms and meanings shall be intended for each case:

1. "Legislation" means:

(a) For Saudi Arabia, regulations, prohibitions and royal decrees.

(b) For the Hashemite Kingdom of Jordan, the Constitution, laws, regulations and instructions order, and the administrative decisions issued thereunder.

2. "Investments" means any type of asset owned or controlled by an investor, including:

(a) Business establishment

(b) Shares, corporate shares, shares and any other type of contribution in companies, including rights arising from them.

(c) Contractual rights, including turnkey contracts, contracts, management or production contracts for participation in revenues.

(d) Intellectual property rights such as copyright and other related rights, patent rights, utility rights, trademarks, industrial designs, integrated circuit design schemes, and new plant varieties, trade names, source data, geographical indications and use of business secrets

(e) Movable and immovable property and any other proprietary rights associated with such investment, rents, mortgages and other similar rights.

Provided that such investments have been made in accordance with the provisions of the legislation of the Contracting Party situated in territory.

3. (a) A natural person who has the nationality of either Contracting Party in accordance with the provisions of that Convention

(b) A business enterprise of a Contracting Party that has made investments in the other Party. The branch of a commercial enterprise of a non-contracting party, whose headquarters are located, in the other Contracting Party is an investor of that Contracting Party

4. A commercial establishment is owned by an investor if he owns more than fifty percent of its shares, or if it is subject to the control of the investor so that he has the power to nominate the majority of its managers or if he owns the right to conduct their business in a legitimate manner.

5. "Commercial enterprise of a Contracting Party" means any person of a corporation or other entity founded or established under the legislation of that Contracting Party, whether for the purpose of profit or not, whether that entity is a private entity or an entity owned or controlled by the State, including a business, mutual fund, partnership, individual enterprise, joint venture or organization.

6. "Investment activities" Investment management, maintenance, use, enjoyment or sale, or other investment-related actions.

7. "WTO Agreement" The Marrakesh Agreement Establishing the World Trade Organization signed on 15 April 1994 AD.

8. "Contracting Party", the Kingdom of Saudi Arabia or the Hashemite Kingdom of Jordan.

Article 2.

1. Investments include "returns" of investments made, in particular, profits, capital gains, dividends, royalties and fees.

Any change in the way in which the assets are invested - or reinvested - does not affect their classification provided that such exchange does not conflict with the legislation of the Contracting Party in which assets are invested or reinvested.

2. The provisions of this Convention shall also apply to exclusive economic zones and the continental shelf area which is permitted by international law of a Contracting Party to exercise sovereign rights or jurisdiction over them.

Article 3.

1. Each Contracting Party shall encourage investment by investors of the other Contracting Party in its jurisdiction to the extent possible, such investments shall be allowed to enter, taking into account their rights to exercise their powers in accordance with their legislation in force, including legislation relating to foreign ownership and control.

2. Each Contracting Party shall grant to the investors and investments of the other Contracting Party, upon admission of investments in accordance with its legislation - a treatment no less favorable than that accorded in similar circumstances to their investors and investments with respect to investment activities.

Article 4.

1 Each Contracting Party shall accord to the investors and investments of the other Contracting Party a treatment that shall not be less favorable than those granted in similar circumstances to investors of a non-Contracting Party and their investments with respect to investment activities,

2 Notwithstanding the provisions of paragraph (1), the Contracting Parties may not accord to the investors and investments of the other Contracting Party preferential or differential treatment under the membership of the first Contracting Party in a customs union, economic, common market or free trade area with a non-contracting party.

3 The provisions of paragraph (1) of this Article shall not apply to the provisions of dispute settlement between the State and the Investor provided for in agreements to protect and encourage mutual investments concluded by the Contracting Parties with a third party prior to the date of signature of this Agreement.

Article 5.

Each Contracting Party shall accord to the investments of investors of the other Contracting Party a treatment consistent with the provisions of international law, including fair and equitable non-discriminatory treatment and full protection and security.

Article 6.

Each Contracting Party shall accord to the investors of the other Contracting Party a treatment no less favorable than that accorded in similar circumstances to its investors or investors of a non-contracting party in recourse to the courts, administrative courts and committees of all classes, whether to claim or defend the rights of those investors.

Article 7.

Nothing in this Convention shall be construed as derogating from the rights and obligations of the Contracting Parties under

the provisions of the WTO Agreement.

Article 8.

1. Each Contracting Party shall publish its legislation, procedures, administrative provisions and general judicial provisions, as well as international conventions relating to or affecting investment activities.

2. Each Contracting Party shall, at the request of the other Contracting Party, expeditiously respond to specific inquiries and provide the other Contracting Party with an indication of the matters set out in paragraph 1 of this Article 8.

3. The provisions of paragraphs (1) and (2) of this article do not oblige either Contracting Party to disclose confidential information whose disclosure may impede the application of the law, damage to the public interest, breach of privacy or damage to legitimate business interests.

Article 9.

Each Contracting Party shall facilitate the entry and issuance of visas and temporary or permanent residence in accordance with its legislation to natural persons possessing the nationality of the other Contracting Party wishing to enter and stay in the territory of the first Contracting Party for the purpose of establishing investment activities.

Article 10.

1. Neither Contracting Party may expropriate or nationalize the investments of investors of the other Contracting Party or take any measure amounting to expropriation or confiscation (hereinafter referred to as "expropriation") unless the following conditions are met:

(a) The confiscation shall be for urgent and equitable compensation in accordance with paragraphs (2), (3) and (4) of this Article.

(b) The confiscation shall be in accordance with the legal procedures and the provisions of Article (5) of this Agreement.

2. The compensation shall be equal to the fair market value of the investment that was acquired on the date in which it occurred, or in which the public declaration of the expropriation or the expropriation occurred, whichever is earlier, and the fair market value should not reflect any change that may have occurred in this value due to the common use of the expropriation.

3. The compensation shall be paid without delay, including an indent factor calculated on the basis of the prevailing rate of return in the market from the date of expropriation until the time of payment. Such compensation shall be collectable and transferred to third parties or transferred to any currency of the currencies used in the provisions of the IMF Agreement without restrictions at the market exchange rate prevailing on the date of confiscation.

4. Without prejudice to the provisions of Article 15, investors affected by expropriation shall have the right to resort to the general courts, or administrative courts of the Contracting Party which has expropriated, the request for a speedy review of the investor case and the amount of compensation in accordance with the principles set forth in this Article.

Article 11.

1. Each Contracting Party shall accord to the investors of the other Contracting Party to which they have incurred losses or damage as a result of the war or any armed conflict or a state of emergency such as revolution, rebellion or civil unrest or any other similar event, at least the treatment that it gives to its investors or to investors of a non-contracting party in respect of the return of the investment or compensation for loss or damage, to the extent it was a more beneficial settlement.

2. Any amount to be paid by way of settlement as referred to in paragraph (1) of this Article shall be collectible and transferable to any other currency or freely convertible currency at the prevailing exchange rate.

Article 12.

If a Contracting Party - or its appointed body - pays an investor any compensation, insurance or insurance contract for its investment in the other Contracting Party, the other Contracting Party shall give notice of the transfer of any right or claim to that investor. The other Contracting Party agrees that the first Contracting Party or its appointed body is entitled by virtue of

subrogation to exercise the rights and assert the claims of that investor. As to the amount paid to the first Contracting Party or the entity designated by that transfer for rights or claims, the provisions of Articles 10, 11 and 13 shall apply as the case may be.

Article 13.

1. Each Contracting Party shall ensure that all remittances and payments relating to investments of one of the investors of the other Contracting Party may be freely made by and to the Contracting Party without delay, including, but not limited to:

(a) Primary capital and the additional amounts for maintaining or increasing the volume of investments.

(b) All profits, capital gains and profits distribution, royalties, fees and other income and other current income.

(c) Amounts paid under contract, including of loan-related installments.

(d) Income derived from liquidation of the investment or sale thereof in whole or in part.

(e) Gains and salaries of contracted workers abroad engaged in investment-related business.

(f) Amounts paid in accordance with the provisions of Articles (10) and (11).

(g) Amounts arising from the settlement of a dispute in accordance with Article (15).

2. Each Contracting Party shall also ensure that such transfers shall be made without delay and in free currencies and at the prevailing market exchange rate on the date of transfer. In the absence of a prevailing market exchange rate, the exchange rate shall be the price derived from the total prices applied by the International Monetary Fund convertible currency converter to Special Drawing Rights.

3. Notwithstanding the provisions of paragraphs (1) and (2) of this Article, any Contracting Party may delay or abrogate the transfers by the fair, non-discriminatory, and good faith application of its legislation relating to:

(a) Cases of bankruptcy, insolvency or protection of creditors' rights

(b) Issuing, trading or dealing in securities

(c) Criminal offenses or sanctions

(d) Mandatory orders or judgments in court proceedings

Article 14.

1. Each Contracting Party shall have the opportunity to consult with respect to any representations made by the other Contracting Party in relation to any matter.

2. Any dispute between the Contracting Parties concerning the interpretation or application of this Convention, which is not satisfactorily settled by diplomatic means within six months, shall be referred to arbitration for arbitral decision. A Contracting Party shall, within a period of sixty (60) days from the date of its receipt, notify the other Contracting Party that the matter of the dispute shall be submitted to arbitration. The two arbitrators shall agree with the third arbitrator, who shall be the Chairman of the Arbitration Tribunal, within a period of thirty (30) days. The third arbitrator shall be a national of neither party.

3. If the time limits provided for in paragraph (2) are not observed, in the absence of another arrangement, either Contracting Party may invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or if there is anything preventing him from performing the said function, the Vice-President shall make the necessary appointments. If the Vice-President is a national of either Contracting Party or has been prevented from carrying out the said task, the member of the International Court of Justice next in seniority and who is not a national of either Contracting Party, shall make the necessary appointments.

4. The arbitral tribunal shall reach its decisions within a reasonable period of time. These decisions shall be final and binding.

5. Each Contracting Party shall bear the costs of the arbitrator who appointed him and the costs of his representation in the arbitration proceedings. The two contracting parties shall bear equally the costs of the duties and other costs of the head of the arbitration board.

Article 15.

1. For the purposes of this Article, an investment dispute is a dispute between a Contracting Party and the investor of the other Contracting Party which has suffered loss or damage caused by an alleged violation or breach of any right granted under this Convention.

2. Nothing in this Agreement shall be construed as prohibiting an investor who is a party to an investment dispute (referred to in this article as "the disputing investor") from resorting to a request for administrative or judicial settlement in the Contracting Party which is a party to that investment dispute (referred to in this article, as the "disputing party").

3. The investment dispute shall be settled as amicably as possible by consultation and negotiation between the Investor and the disputing party (referred to in this Article as "the Disputing Parties.")

4. If a dispute is not settled amicably within six months from the date of the request of the disputing investor to consult and negotiate in writing, and if the disputing investor does not submit the subject of the investment dispute for decision by the courts or administrative appointees of a Contracting Party, the disputing investor may submit the dispute to one of the following international arbitration or peaceful mechanisms:

(a) Conciliation or arbitration in accordance with a Mediation Agreement (Hereinafter referred to as "the Convention"), as long as this Agreement is in force for the Contracting Parties and taking into account the notification made by the Kingdom of Saudi Arabia on 8 May 1980 in accordance with the relevant article of the said Convention.

(b) Conciliation or arbitration in accordance with the Additional Facility of the International Center for Settlement of Investment Disputes (ICSID), if the S1 (1) Convention does not apply to the Contracting Parties.

(c) Arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law.

(d) Any method of arbitration in accordance with other arbitration rules shall be agreed upon with the counterparty.

5. If the investor submits the investment dispute to a court of competent jurisdiction in the concerned Contracting Party, the investor in dispute shall not at the same time proceed to arbitration in paragraph (4). The judgment rendered by the Court shall be binding and shall not be subject to any dispute or appeal other than as provided for in the legislation of the Contracting Party.

6. The applicable arbitration rules are those referred to in paragraph (4) subject to the exception of the changes included in this Article.

7. The disputing investor who intends to present the subject of the investment dispute to conciliation or arbitration in accordance with paragraph 4 shall inform the disputing party in writing of its intention before at least (90) days from the date of submission of his application, including the following data:

(a) Name and address of the disputing investor.

(b) The specific actions taken by the disputing party, together with a summary of the facts and the legal basis on which the dispute is based, that are sufficient to present the problem clearly - including obligations under this Agreement alleged to have been breached.

(c) The conciliation or arbitration procedure set out in paragraph (4) to be chosen by the disputing investor.

(d) The compensation requested and its approximate value for the alleged losses and damages.

8. Each Contracting Party agrees that the disputing investor shall present the investment dispute to the settlement or arbitration referred to in paragraph (4) and chosen by the disputing investor. The consent given in paragraph (4) above shall satisfy the requirement of:

(a) The Convention on the Recognition and Enforcement of Foreign Arbitral Awards (hereinafter referred to as " New York Convention"), or

(b) The "Additional Facility Rules of the International Center for the Settlement of Investment Disputes" hereinafter referred to as ICSID ") for an agreement in written.

9. Notwithstanding the provisions of paragraph (8), an investment dispute may not be submitted for conciliation or arbitration as set forth in paragraph (4) in the case that have elapses more than five years from the date of from the date on which the investor knows or should have known, whichever is the nearest, the loss or damage as referred to in paragraph

(1) of this article.

10. Unless otherwise agreed by the parties to the dispute, the arbitral tribunal referred to in paragraph (4) shall be composed of three arbitrators. Each party shall appoint an arbitrator within sixty days from the date of presentation of the investment dispute. The two arbitrators shall agree to appoint a chairman of the arbitration board within thirty days.

11. If the two competing parties do not appoint an arbitrator or the two arbitrators fail to agree on the appointment of the arbitral tribunal during the said periods, either of them may request the Secretary General of the International Center for Settlement of Investment Disputes to appoint the arbitrator or arbitrators who have not yet been appointed, taking into account the provisions of paragraphs (11) and (12) of this article. Unless otherwise agreed by the parties to dispute, the third arbitrator shall not be a national of either Contracting Party nor shall he be a resident of any Contracting Party, nor shall he be an employee of any of the Contracting Parties, nor shall he have dealt with the respective investment dispute. In the case of arbitration referred to in paragraph (4) of this Article, may be appointed to each of the parties.

12. The Secretary-General of the International Center for the Settlement of Investment Disputes (ICSID) should not appoint an arbitrator to hold any of the nationalities identified by either of the parties to the dispute.

13. Unless otherwise agreed by the parties to the dispute, the arbitration sessions shall be held in a State party to the New York Convention. The arbitration procedure established in accordance with paragraph (4) of this Article shall be settled in matters subject to investment dispute.

14. In accordance with this Agreement and the applicable rules of international arbitration. The party to the dispute shall submit to the other Contracting Party the following:

(a) A written notice of the claim submitted to the arbitration no later than (3) days from the date of filing the complaint.

(b) Copies of the pleadings and claims submitted to arbitration

15. A non-disputing Contracting Party may, by written communication to the parties to the dispute, submit its opinion on an issue concerning the interpretation or application of this Agreement.

16. The arbitral tribunal may order an interim measure to protect and preserve the rights of the disputing investor, or to facilitate the conduct of arbitration proceedings, including the issuance of an order to protect evidence held by or under the control of either of the parties to the dispute.

17. The arbitral tribunal shall not issue an order for seizure or to prevent the application of the measure alleged to constitute the violation referred to in paragraph (1) of this article.

18. The decision of the arbitral tribunal must include at the same time:

(a) The judgment of the presence or absence of a violation by the party in dispute of any obligation under this Agreement against the Investor and its investments.

(b) Corrective action in the event of such violation, provided that such corrective action is limited to one or both of the following:

(1) Payment of damages with any applicable interest.

(2) Restitution of property, in which case the award shall provide that the disputing Party may pay monetary damages and any applicable interest in lieu of restitution.

The arbitral award may also provide for the payment of other costs in accordance with the applicable arbitration rules.

19. The decision issued in accordance with paragraph 18 of this article shall be final and binding on the parties to the dispute. The party concerned shall implement the provisions of that resolution without delay and take the necessary measures to implement it in accordance with its legislation.

20. Neither Contracting Party shall afford diplomatic protection and shall not bring an international claim in respect of an investment dispute which the other Contracting Party and an investor of the first Contracting Party have agreed to submit or have already submitted to arbitration as set out in paragraph (4) unless the other party has failed to comply with the arbitral award rendered in such a dispute. For the purposes of this paragraph, diplomatic protection shall not include informal diplomatic movements for the purpose of facilitating the settlement of the dispute.

Article 16.

1. Any Contracting Party may apply or continue to conduct proceedings inconsistent with its obligations under Article (3) of this Agreement relating to cross-border capital transactions as stipulated in Article (13) in the following cases

(a) Serious problems with the balance of payments, or serious external finance problems, or the emergence of threats to such problems.

(b) Exceptional circumstances in which the movement of capital causes the occurrence or threat of serious problems of macroeconomic management, in particular policies relating to cash and exchange rates.

2. The following procedures shall be observed in the procedures referred to in paragraph (1):

(a) They shall be in conformity with the IMF Agreement so long as the Contracting Party making such procedures is a Party to the provisions of the said Convention.

(b) Shall not exceed the necessary threshold to address the circumstances set out in paragraph (1).

(c) Be temporary and cease to operate as soon as circumstances permit.

(d) To inform the other Contracting Party promptly.

(e) Do not cause unnecessary damage to the commercial, economic and financial interests of the other Contracting Party.

3. Nothing in this Agreement shall be deemed to alter the rights of any Contracting Party or its obligations as a party to the Agreement of the International Monetary Fund.

Article 17.

1. Notwithstanding any other provisions of this Agreement, either Contracting Party may take action with respect to financial services for reasonable and well-established reasons, including procedures for the protection of investors, depositors, policyholders or persons in debt of a commercial enterprise providing financial services or to ensure the stability of its system Financial stability.

2. In cases where a Contracting Party has taken any action in accordance with paragraph 1 of this article in contravention of the obligations provided for in the provisions of this Agreement, that Contracting Party shall not use that measure as a means of evading its obligations.

Article 18.

1. Nothing in this Convention shall be construed as derogating from the rights and obligations set out in multilateral agreements relating to the protection of intellectual property rights to which the Contracting Parties are parties.

2. This Agreement does not contain what may be construed as obliging either Contracting Party to grant to the investors and investments of the other Contracting Party the same treatment for the investors and investments of another non-Contracting Party under multilateral agreements subject to the protection of intellectual property rights to which the first Contracting Party is a party.

3. The Contracting Parties shall take into account the provision of adequate and effective protection of intellectual property rights and shall expedite consultation with each other for this purpose at the request of either Contracting Party. Based on the outcome of such consultation, each Contracting Party shall take appropriate measures to eliminate factors that it deems appropriate that adversely affect investments.

Article 19.

1. The provisions of Article (3) shall not preclude either Contracting Party from distinguishing between the transactions granted in accordance with its tax legislation.

2. Article (4) does not implies that it obligates a Contracting Party to grant the investors of the other Contracting Party tax advantages, in particular to the investors of another non-contracting party, on the basis of reciprocity with that other non-Contracting Party or under any applicable tax agreement between the first Contracting Party and the non-Contracting Party.

Article 20.

The Contracting Parties shall consult with each other within five years of the entry into force of this Convention for the

revision of the Convention and to take further measures necessary to achieve further Encouragement and protection of investments.

Article 21.

Each Contracting Party shall recognize the inappropriateness of encouraging the investors of the other Contracting Party to invest by relaxing the procedures for the safety of the environment. Accordingly, each Contracting Party shall not condone or detract from such environmental actions as improper to encourage the investors of the other Contracting Party on the establishment, acquisition or expansion of investments.

Article 22.

1. Either Contracting Party may deny an investor of another Contracting Party and its investments which is a commercial enterprise of the other Contracting Party from the benefits of this Agreement if that enterprise is owned by an investor other than a Contracting Party or under its control. The Contracting Party may apply such denial if either:

(a) Has no diplomatic relations with that non-Contracting Party; or

(b) It applies special procedures to that non-Contracting Party which prohibits dealing with that business; or

(c) Such proceedings may be violated if such business or investment benefits from the benefits of this Agreement.

2. Either Contracting Party may, by prior notification and after consultation, deny an investor of another Contracting Party and its investments which is a business enterprise of the other Contracting Party, the benefits of this Agreement if that enterprise is owned by or controlled by another non-contracting party which has no substantial commercial activities in the other Contracting Party.

Article 23.

1. This Convention shall enter into force thirty (30) days after the date of the last mutual notice through diplomatic channels confirming the termination of the necessary legal procedures for its entry into force and shall remain in force for a period of ten (10) years from the date of its entry into force and shall remain in force unless terminated as set out in paragraph (2). This Agreement shall apply to all investments of investors of either Contracting Party of the other Contracting Party established in accordance with the legislation of the other Contracting Party prior to the entry into force of this Agreement.

2. Either Contracting Party may, by written notification addressed to the other Contracting Party in advance of one year from the date of termination of the Agreement, terminate this Agreement by the end of the first ten years or at any other time thereafter.

3. Before the date of termination of this Agreement, the provisions of this Agreement shall remain in force for a period of ten (10) years from the date of their termination.

4. The provisions of this Convention shall not apply to claims and claims arising out of events that have occurred, or settled claims, prior to its entry into force.

In ratifying the foregoing, this Convention has been signed by the duly authorized representatives of their respective Governments to sign this Convention.

This Agreement was signed in Amman on Monday, 27/3/2017, in two original copies in Arabic, both of which are equally authentic.

For the Kingdom of Saudi Arabia, HE Dr. Sajid Bin Abdullah Al Qasabi, Minister of Trade and Investment and Chairman of the Board of Directors of the General Authority for Investment