

AGREEMENT ON RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE STATE OF QATAR AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN

The Government of the State of Qatar and The Government of the Islamic Republic of Iran hereinafter referred to as the "Contracting Parties",

Desiring to intensify economic cooperation to the mutual benefit of both states,

Intending to utilize their economic resources and potential facilities in the area of investments as well as to create and maintain favourable conditions for investments of the investors of the Contracting Parties in each other's territory and,

Recognising the need to promote and protect investments of the investors of the Contracting Parties in each other's territory

Have agreed as follows

Article 1. Definitions

For the purpose of this Agreement and unless stated otherwise, the meaning of the terms used therein are as follows:

1. The term "investment" refers to every kind of assets, including the following, invested by the investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party (hereinafter referred to as the host Contracting Party):

(a) Movable and immovable property as well as any rights in rem, such as mortgage liens, pledges or usufructs,

(b) shares or any kind of participation in companies,

(c) Money, claim to money or to any performance having an economic value,

(d) Copyrights, industrial and intellectual property rights such as patent, utility models, industrial designs or models, trademarks and names, know-how and goodwill,

(e) Rights to search for, extract or exploit natural resources as well as other business rights, given by law, by contract or by decision of the authority in accordance with law.

Any alteration in the form in which assets are invested shall not affect their classification as investment, provided that such alteration is not in conflict with the legislation of the Contracting Party in which territory the investment is made.

2. The term "investor" refers to the following persons who invest in the territory of the other Contracting Party within the framework of this Agreement:

(a) Natural persons who, according to the laws of either Contracting Party, are considered to be its national and have not the nationality of the host Contracting Party,

(b) legal person of their Contracting Party which are established under the laws of that Contracting Party and their headquarters or their real economic activities are located in the territory of that Contracting Party,

(c) the Government of each Contracting Party provided it is treated as a private investor.

3. The term "returns" refers to the amounts legally yielded by an investment including profit derived from investments, dividends, royalties and fees.

4. (a) With respect to the State of Qatar:

The term "territory" means the territory of the State of Qatar including its territorial sea as well as the continental shelf over which the State of Qatar exercises sovereignty and jurisdiction in accordance with the International Law.

(b) With respect to the Islamic Republic of Iran: the term "territory" refers to areas under the sovereignty or jurisdiction of the Islamic Republic of Iran including its maritime area.

Article 2. Promotion of Investments

1. Either Contracting Party shall encourage its investors to invest in the territory of the other Contracting Party.
2. Either Contracting Party shall, within the framework of its laws and regulations, create favourable conditions for attraction of investments of investors of the other Contracting Party in its territory.

Article 3. Admission of Investments

1. Either Contracting Party shall admit investments of investors of the other Contracting Party in its territory in accordance with its laws and regulations.
2. When an investment is admitted, either Contracting Party shall, in accordance with its laws and regulations, grant all necessary permits for the realisation of such an investment.

Article 4. Protection of Investments

1. Investments of investors of either Contracting Party effected within the territory of the other Contracting Party, shall receive the host Contracting Party's full legal protection and fair treatment not less favourable than that accorded to investors of any third state who are in a comparable situation.
2. If a Contracting Party accords special advantages to investors of any third state by virtue of an agreement establishing a free trade area, a customs union, a common market or a similar regional organization or by virtue of an agreement on the avoidance of double taxation, it shall not be obliged to accord such advantages to investors of the other Contracting Party.

Article 5. More Favourable Provisions

Notwithstanding the terms set forth in this Agreement, more favourable provisions which have been or may be agreed upon by either of the Contracting Parties with an investor of the other Contracting Party shall be applicable.

Article 6. Expropriation and Compensation

1. Investments of investors of either Contracting Party shall not be nationalized, confiscated, expropriated or subjected, to similar measures by the other Contracting Party except such measures are taken for public purposes, in accordance with due process of law, in a non-discriminatory manner, and upon payment of prompt and effective compensation.
2. The amount of compensation shall be equivalent to the real economic value of the investment immediately before the action of nationalization, confiscation or expropriation was taken or became known.

Article 7. Losses

Investors of either contracting party whose investments suffer losses due to any armed conflict, revolution or similar state of emergency in the territory of the other Contracting Party shall be accorded by the other Contracting Party treatment no less favourable than that accorded to investors of any third country.

Article 8. Repatriation and Transfer

1. Each Contracting Party shall, in accordance with its laws and regulations, permit in good faith the following transfers related to investments referred to in this Agreement, to be made freely and without delay out of its territory:

- (a) Returns,
- (b) Proceeds from the sale and/or liquidation of all or any part of an investment,
- (c) Royalties and fees related to transfer of technology agreement,

(d) Sums paid pursuant to Articles 6 and/or 7 of this Agreement,

(e) Loan instalments and their cost related to an investment provided that they are paid out of such investment activities,

(f) Salaries and wages received by the employees of an investor who have obtained in the territory of the host Contracting Party, the corresponding work permits related to those investments,

(g) Payments arising from a decision of the authority referred to in Article 12.

2. The above transfers shall be effected in a convertible currency and at the current rate of exchange in accordance with the exchange regulations prevailing on the date of transfer.

Article 9. Subrogation

If a Contracting Party or its, designated agency, within the framework of a legal system, subrogates an investor pursuant to a payment made under an insurance or guarantee agreement against non-commercial risks:

(a) Such subrogation shall be recognized, by the other Contracting Party,

(b) The subrogee shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise,

(c) Disputes between the subrogee and the host Contracting Party shall be settled in accordance with Article 12 of this Agreement.

Article 10. Observance of Commitments

Either Contracting Party shall guarantee the observance of the commitments it has entered into through this Agreement with respect to investments of investors of the other Contracting Party.

Article 11. Scope of the Agreement

This Agreement shall apply to investments approved by the competent authorities of the host Contracting Party.

The competent authority in the State of Qatar is the Ministry of Finance, Economy and Commerce or its authorized representative, and in the Islamic Republic of Iran the competent authority is "Organization for Investment, Economic and Technical Assistance of Iran (O.I.E.T.A.I)".

Article 12. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. If any legal dispute arising directly out of an investment between the host Contracting Party and an investor(s) of the other Contracting Party with respect to an investment, the host Contracting Party and the investor(s) shall primarily endeavour to settle the dispute in an amicable manner.

2. In the event that the host Contracting Party and the investor(s) can not agree within six months from the date of notification of the claim by one party to the other, either of them may refer the dispute with due regard to the host Contracting Party's laws and regulations to either one of the two following ways

(a) The competent court of the host Contracting Party, or

(b) to an ad hoc arbitral tribunal of three members referred to in paragraph 5 below.

3. A dispute primarily referred to the competent courts of the host Contracting Party, as long as it is pending, cannot be referred to arbitration save with the parties agreement; and in the event that a final judgment is rendered, it cannot be referred to arbitration.

4. National courts shall not have jurisdiction over any dispute referred to arbitration.

However, the provisions of this paragraph do not bar the winning party to seek for the enforcement of the arbitral award before national courts.

5. The host Contracting Party or the investor(s) of the other Contracting Party who desires to refer the dispute to the

arbitration shall appoint an arbitrator through a written notice sent to the other party.

The other party shall appoint an arbitrator within sixty days from the date of receipt of the said notice and the appointed arbitrators shall within sixty days from the date of the last appointment, appoint the third arbitrator who shall be designated as Chairman of the Tribunal.

In the event that each party fails to appoint its arbitrator within the mentioned period and/or the appointed arbitrators fail to agree on the third arbitrator, each of the parties may request the Secretary-General of the Permanent Court of Arbitration to appoint the failing party's arbitrator or the third arbitrator, as the case may be.

However, the third arbitrator shall be appointed from amongst nationals of a state having diplomatic relations with both Contracting Parties, at the time of appointment.

6. The Tribunal shall set its own rules of procedures. Its decisions shall be taken with a majority of votes in conformity with the provisions of this agreement and the laws of the Contracting Party to the dispute.

7. The venue of the arbitration is the Hague (Netherlands) or any other country as agreed upon by the parties in the investment disputes.

Article 13. Settlement of Disputes between the Contracting Parties

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this agreement shall, in the first place, be settled amicably.

In case of disagreement, either contracting Party may subject to its laws and regulations, while sending a notice to the other party, refer the case to an arbitral tribunal of three members consisting of two arbitrators appointed by the Contracting Parties and a third arbitrator who shall be designated as Chairman of the tribunal. In case the dispute is referred to the arbitral tribunal, either Contracting Party shall appoint an arbitrator within sixty days from the receipt of the notification and the arbitrators appointed by the Contracting Parties shall appoint the third arbitrator within sixty days from the date of the last appointment.

If either Contracting Party does not appoint its own arbitrator or the appointed arbitrators do not agree on the appointment of the third arbitrator within the said period, each Contracting Party may request the President of the International Court of Justice, to appoint the arbitrator of the failing party or the third arbitrator, as the case may be. However, the third arbitrator shall be a national of a state having diplomatic relations with both Contracting Parties at the time of the appointment.

2. If 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 of the International Court of Justice, and if the Vice-President is also prevented from carrying out the said function or he is a national of either Contracting Party, the appointment shall be made by the senior member of the said court who is not a national of either Contracting Party.

3. The Tribunal shall set its own rules of procedures. Its decision shall be taken with the majority of votes in conformity with the provisions of this agreement and the laws of the two Contracting Parties.

4. The Venue of arbitration is the Hague (Netherlands) or any other country as agreed upon by the Contracting Parties.

5. The decisions of the arbitral tribunal shall be binding on both Contracting Parties.

Article 14. Validity of the Agreement

1. This Agreement shall be approved/ratified by the competent authorities of each Contracting Party.

2. This Agreement shall enter into force for a period of ten years after 30 days from the date of the last notification of either Contracting Party to the other Contracting Party that it has fulfilled necessary measures in accordance with its laws and regulations for the entry into force of this Agreement. After the said period, this agreement shall remain in force thereafter unless one of the Contracting Parties notifies, at any time, the other Contracting Party in writing of its unwillingness to continue with it, six months prior to the expiration or termination thereof.

3. After the expiration of the validity or termination of this Agreement the protection established to the investors pursuant to its principles shall apply to investments under this Agreement for a further period of ten years.

4. After the period of the first ten years, this agreement may be amended by written agreement between the two Contracting Parties.

Any amendment shall enter into force when each contracting Party has notified the other that it has completed all requirements for entering into force of such amendment.

This Agreement Is Done In Duplicate In the Arabic, Persian & English Languages. All texts being equally authentic.

In case of divergence of interpretation, the English text shall prevail. Signed in Doha on May 20, 1999 A.D. corresponding to Safar 5 1420 A.H., Ordibehesht 30, 1378 by the representatives of the Government of the State of Qatar and the Government of the Islamic Republic of Iran.

For the Government of the Islamic Republic of Iran

For the Government of The State of Qatar