Agreement between the Government of the Islamic Republic of Pakistan and the Government of the State of Qatar concerning the reciprocal promotion and protection of investments

The Government of the Islamic Republic of Pakistan and the Government of the State of Qatar hereinafter referred to as the Contracting Parties.

Desiring to strengthen economic interaction between the two sates particularly with respect to investment by Investors of the Contracting Party in the territory of the other Contracting Party.

Recognizing that the promotion and protection of these investments will stimulate the flow of capital and technology between the two countries in the Interest of the economic development of both.

Considering that fair and equitable treatment of Investment is desirable in order to maintain a stable framework for investment and maximum effective utilization of economic resources.

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement unless stated otherwise the following words and terms shall have the corresponding meanings.

The term "investor" means

a) Natural person deriving their status as nationals of either Contracting Party according to its laws, or

b) Government and Government Agencies Corporations, companies, firms, or business associates incorporated or constituted under the law in force of either or the Contracting Parties and having their headquarters in the territory of the Contracting Party.

(a) The term "investment" means every kind of assets connected with business investment and in particular though the limited to the following:

i) States of any other form of participation in companies.

ii) Returns reinvested claims to money or other rights having financial value relating to an investment.

iii) Movable and immovable property as well as any other rights as mortgages, lines, pledges and any other similar rights as defined in conformity with the laws and regulations of the Contracting Party in whose territory the property is situated.

iv) Industrial and intellectual property rights, patents, industrial designs, trademarks, goodwill, know-how and any other similar rights;

v) Business concessions conferred by law or under contract, including the concessions related to natural resources.

b) The said term "investment" shall refer to all investment made in accordance with the laws and regulations in territory or maritime areas of the Contracting Party where the investments are situated. It covers the investment made in the territory or maritime areas of the concerned Contracting party before or after entry into force of this Agreement.

The Maritime areas shall mean the territorial sea as well as the continental shelf for states of both Contracting Parties in which they exercise sovereignty, sovereign rights and jurisdiction in accordance with International Law, for purpose of prospecting, exploitation and preservation of national resources.

3. The term "return" means the amount yielded by an investment and includes in particular, though not exclusively, profit,

interest, and dividends. Returns reinvested shall enjoy the same protection enjoyed by an Investment.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall permit the investors of the other Contracting Party to invest in its territory and its maritime area and practice activities associated therewith on a basis no less favourable than that accorded in similar situations to investment of its investors in areas which are not exclusive to them or to investors of the most favoured state, within the timework of its laws and regulations in force.

Each Contracting Party shall extend fair and equitable treatment in accordance with the principles of International law to investments made by investors of the other Contracting party on its territory or maritime area and shall ensure that the exercise of the right thus recognized shall not be hindered in any way.

Subject to the laws and regulations of the Contracting Parties relating to the entry, sojourn and employment of aliens:

a) Nationals of either Contracting Party shall be permitted to enter and to remain in the territory of the other Contracting Party and its maritime areas for the propose of establishing developing administering or advising on the investment operations in which those nationals or investors have contributed in their capital or those resources.

b) Companies which are legally constituted under the applicable laws and regulations of one Contracting Party, and which are Investments of investors of the other Contracting Party, shall be permitted to engage managerial and technical personnel of their choice.

The provisions stipulated in the previous parts shall have no effect in relation to the privileges granted by either Contracting party to the investors of a third State by virtue of its participation in any of the following:

a) Agreements relating to any existing or future custom unions, free zones, regional economic organizations or similar international agreements;

b) Agreements relating wholly or mainly to taxation.

Article 3. Expropriation and Compensation

1. The investments shall not be subject either directly or indirectly to any act of expropriation or nationalization or to any other procedure of similar effect, unless it is intended for public interest and without discrimination and against adequate and prompt compensation paid in accordance with the legal procedures and general principles of the type of treatment stipulated in part (a) of this Article.

2. The said compensation shall be equivalent to the real economic value for the expropriated investment at the time of its expropriation or its declaration and shall be estimated in accordance with a normal economic situation providing prior to any impending expropriation became public knowledge. The compensation due shall be paid without delay and shall enjoy free transfer and it shall produce interest to be calculated in accordance with the interest rate prevailing to the inter-banking of the London financial market (LIBOR) from the specified date until the date of its actual payment.

3. In case the investment of the investors of either Contracting Party sustain losses in the territory of the other Contracting Party or its maritime areas as a result of war or any other armed conflict or civil riots or any other similar events that Contracting party shall offer the investors of the other Contracting Party treatment not less favourable that that enjoyed by his investors in areas which are not exclusive to them or investors or investors of the most favoured State pursuant to the procedures it adopts in connection with losses inflicted on these investments.

Article 4. Repatriation and Transfer

1. Each Contracting Party shall permit the investors of the other Contracting Party all transfer related to their investments to be made freely and without unreasonable delay into and out of its territory. Such transfers include:

a) Returns;

b) Proceeds from the sale or liquidation of all the investment or part thereof;

c) Compensation pursuant to Article (3) of this Agreement;

d) Reimbursements and interest from loans in connection with investments;

e) Salaries, wages and other remuneration received by the nationals of one Contracting Party against their services for a licensed investment in the territory of the other Contracting Party or its maritime areas;

f) Payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which be investment has been made or in any other convertible currency if so agreed by the investor and at the rate of exchange in force on the date of transfer.

Article 5. Subrogation

1. If the investment of an investor of one Contracting Party is insured against non-commercial risks under a special system any subrogation of the insurer which stems from the terms of the insurance agreement shall be recognized by the other Contracting Party.

2. The insurer shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise.

Article 6. Derogation

This Agreement shall not derogate from:

a) Laws and regulations, administrative practices or procedures or administrative or adjudicatory decisions of either Contracting party;

b) International legal obligations or

c) Obligations assumed by other Contracting Party including those contained in an investment agreement or an investment authorization whoever they authorize, investments or activities associated with a more favourable treatment than that offered by this Agreement in similar situations.

Article 7. Preclusion

1. This Agreement shall not preclude the application by either Contracting party of measures necessary for its maintenance of public order and morals the fulfillment of its obligation with respect to its maintenance or restoration of International peace and security or the protection of its own essential security interests.

2. This Agreement shall not precede either Contracting party from adequate special procedures in connection with the establishment of investments provided that such procedures shall not violate any of the basic rights stipulated herein under.

Article 8. Taxation

By observing its tax legislation each Contracting Party will strive to accord fairness and equity in the tax treatment of Investment of Investors of the other Contracting party.

Article 9. Settlement of Disputes between One Contracting Party and Investors of the other Contracting Party

1. Any legal arising directly from an investment between either Contracting Party and an investor of the Contracting party shall be settled amicably between the concerned parties.

2. If such disputes cannot be settled according to the provisions of paragraph (1) of this Article within six months from the date of request in writing for settlement the dispute shall be sub mitted, at the choice of Investor, to:

a) The competent court of the Contracting party in whose territory the investment was made; or

b) The international Center for the Settlement Disputes established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington on 18th March 1965, if this Convention is applicable; or

c) An Ad hoc Arbitral tribunal established under the Arbitration Rules of Procedure of United nations Commission for International Trade Law (UNITRAL).

The investor concerned who clauses one of the above mentioned ways of the settlement of dispute cannot choose the other two ways.

3. The Ad Hoc Arbitral Tribunal specified under paragraph 2(c) of this Article shall be establishes as follows:

a) Each Party to ten dispute shall appoint one Arbitrator.

b) The two Arbitrators thus appoint, shall appoint, by mutual agreement a third Arbitrator who must be a citizen or permanent resident of a third country which has diplomatic relations with the both Contracting parties, and who shall be designated as Chairman of the Tribunal. All the Arbitrators must be Appointed within two months from the date of notification by one party to the other party of its intention to submit the dispute to arbitration;

c) If the periods specified in paragraph 3(b) of this Article have not been respected, either party to the investment dispute, in the absence of any other agreement any request the Secretary General of the International Center for Settlement of Investment Disputes (ICSID) to make the necessary appointments.

d) The Ad Hoc Arbitral Tribunal shall reach its decisions by a majority of voices. These decisions shall be final and legally binding upon the Parties and shall be enforced in accordance with the domestic law of the Contracting Party who is party to the dispute. The decisions shall be taken in conformity with the provisions of this Agreement the laws of the Contracting party who is party to the dispute and the principles of International Laws.

The Tribunal shall set its rules of procedure in conformity with the Arbitration Rules of the United nations Commission for International Trade Law (UNICITRAL). It shall interpret its award at the request of either party. Unless otherwise agreed by the parties, the venue of arbitration is the sent of the permanent Court of Arbitration at the Hague (Netherlands) or any other country as agreed upon by the parties to the investment dispute.

4. The Contracting Party who is a party to the dispute shall, at no time whatsoever during the procedures involving investment disputes, asset as a defence its immunity or the fact that the investor has received compensation under an insurance contract converting the whole or part of the incurred damage or loss.

Article 10. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties relating to the interpretation, application or termination of this Agreement shall be settled, if possible, by diplomatic channels.

2. If the dispute has not been settled within a period of six months from the date on which the matter was raised, by either Contracting Party, it may be submitted at the request of either Contracting Party to an Arbitral Tribunal.

3. The said Tribunal shall be established as follows for each specific cases each Contracting party shall appoint one Arbitrator, and the two Arbitrators thus appointed shall appoint by mutual agreement a citizen of a third country, who shall be designated as Chairman of the Tribunal. All the Arbitrators must be appointed within two months from the date of notification by one Contracting Party to the other Contracting Party of its intention to submit the dispute to arbitration.

4. If the period specified in paragraph (2) of this Article has not been respected, either Contracting Party, in the absence of any other agreement, shall invite the President of the International Court of Justice to make the necessary appointments. If the President is a citizen of either Contracting Party, or if he is otherwise prevented from discharging the said function, the Vice-President, who is not a citizen of either Contracting Party or if he is also prevented from discharging the said function, the member of the Court text in seniority who is not a citizen of either Contracting Party shall make the necessary appointments.

5. The Tribunal shall reach its decisions by a majority of votes. These decisions shall be final and legally binding upon the Contracting Parties. They shall be taken in conformity with the provisions of this Agreement and the related principles of International Law.

6. The Tribunal shall set its own rules of procedure. It shall interpret its award at the request of either Contracting Party. The venue of arbitration is the seat of the Permanent Court of Arbitration at the Hague (Netherlands) or any other country agreed upon by both Contracting parties.

7. Unless otherwise decided by the Tribunal each Contracting Party shall bear the cost of the Arbitrator it has appointed 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.

Article 11. Entry Into Force, Termination and Amendments

1. This Agreement shall enter into force on the date on which the exchange of instruments of ratification has been completed through diplomatic channels. It shall remain in force for a period of ten years shall continue in force unless terminated in accordance with paragraph (2) of this Article. It shall apply to investments existing at the time of entry into force as well as to investments made or acquired thereafter.

2. Either Contracting party may, by giving one year's written notice to the other Contracting party, terminate this Agreement at the end of the initial ten years period or at any time thereafter.

3. 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 entry into force of such amendment.

Upon termination of this Agreement the investment made prior to the date of this termination and governed by the rules of this Agreement shall enjoy the protection established pursuant to the rules of this Agreement for a further period of ten years from the date of termination.

Done at Islamabad on 6th day of April 1999, in duplicate in the Arabic and the English Languages, both texts being equally authentic.

For the Government of the Islamic Republic of Pakistan

For the Government of the State of Qatar