

# **AGREEMENT for the Promotion and Reciprocal Protection of Investments between the Queen of Spain and the Hashemite Queen of Jordan.**

Agreement on the reciprocal promotion and protection of investments between the Kingdom of Spain and the Hashemite Kingdom of Jordan

The Kingdom of Spain and the Hashemite Kingdom of Jordan, hereinafter referred to as the Contracting Parties,

Desiring to intensify economic cooperation in the mutual benefit of both countries;

Aiming to create favourable conditions for investments by investors of either Contracting Party in the territory of the other contracting party, and

Recognizing that the promotion and protection of investments under this agreement will stimulate initiatives in this field,

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1 "investor means any national or company of a contracting party to make investments in the territory of the other Contracting Party:

- a) National "" means a natural person who under the law of that Contracting Party, are considered to be its nationals;
- b) "company" means any legal person or any other entity which is constituted or organized under the applicable laws of that Contracting Party, such as corporations, collective or associations.

2 "investment means every kind of asset owned or controlled directly or indirectly by an investor, provided that they have been invested in accordance with the laws and regulations of the host contracting party, and shall include in particular, though not exclusively, as follows:

- a) Ownership of movable and immovable property as well as other rights in rem, such as mortgages, liens, pledges and similar rights;
- b) A company or enterprise, shares or debentures, stocks and of a company and any other form of participation in a company;
- c) The right to money or to any other provision under a contract having a financial value associated with an investment;
- d) Intellectual Property Rights, processes, know-how, technical know-how and goodwill;
- e) Rights to undertake economic and commercial activities conferred by law or under contract, including concessions to prospecting, cultivate, extract or exploit natural resources.

Any change in the form in which assets are invested or reinvested shall not affect their character as investments provided that such change is made in accordance with the laws and regulations of the host contracting party of the investment.

3 Income "" means the amounts yielded by an investment and shall include in particular, though not exclusively, profits, dividends, interests, capital gains, royalties and fees.

4 "" territory means the Territory, the territorial waters and airspace above them to each of the Contracting Parties, as well as the exclusive economic zone and the continental shelf beyond the limits of the territorial waters of each of the

Contracting Parties on which they are or may have jurisdiction or sovereign rights in accordance with international law, for the purpose of exploration and exploitation and preservation of natural resources.

## **Article 2. Scope**

This Agreement shall apply to all investments made before or after its entry into force by investors of one Contracting Party in the territory of the other contracting party.

## **Article 3. Promotion and Admission**

1 Each Contracting Party shall promote and create favourable conditions for investors of the other contracting party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.

2 If a Contracting Party has admitted an investment in its territory, it shall grant, in accordance with its laws and regulations the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for commercial, administrative or technical assistance. each Contracting Party shall endeavour to facilitate, where appropriate, the necessary authorizations concerning the activities of consultants and other qualified persons, regardless of nationality.

## **Article 4. Protection**

1 Shall at all times be accorded fair and equitable treatment and full protection and security to investments made by investors of one Contracting Party in the territory of the other contracting party. in any case, each Contracting Party shall accord to such investments treatment less favourable than that required by international law.

2 Neither Contracting Party shall in any way by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension and sale or liquidation of such investments. each Contracting Party shall execute any written obligation it has assumed with regard to investments made by investors of the other contracting party.

## **Article 5. National and Most-favoured-nation Treatment**

1 Each Contracting Party shall accord to investments made in its territory by investors of the other Contracting Party A treatment no less favourable than that accorded to investments made by its own investors to investors or of any third State, whichever is more favourable to the investor concerned.

2 Each Contracting Party shall accord to investors in its territory of the other contracting party, as regards the management, maintenance, use, enjoyment, extension or disposal of their investments, treatment no less favourable than that accorded to its own investors to investors or of any third State, whichever is more favourable to the investor concerned.

3 The treatment granted under paragraphs 1 and 2 of this article shall not be construed as to oblige one contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from: paragraphs 1 and 2 of this article shall not be construed as to oblige one contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from:

a) Membership of any customs union, economic or monetary existing or future or any other regional economic integration organization; and

b) Any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

## **Article 6. Expropriation**

1 Investments of investors of either Contracting Party in the territory of the other Contracting Party shall not be nationalised, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as expropriation) except for reasons of public interest and under due process of law, on a non-discriminatory basis and against payment of prompt, effective and adequate compensation.

2 Such compensation shall correspond to the fair market value of the expropriated investment immediately before the expropriation or impending expropriation became public knowledge, whichever is earlier (hereinafter referred to as the valuation date).

3 Such market value shall be calculated in a freely convertible currency and at the prevailing market rate of exchange for that currency on the valuation date. the compensation shall include interest at a rate established commercial market on the basis for the valuation of currency from the date of expropriation until the date of payment. the compensation shall be paid without delay, be effectively realizable and freely transferable.

4 According to the legislation of the contracting party making the expropriation, the investor affected shall have a right to a judicial authority or another competent and independent authority of that Contracting Party to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the principles set out in this article.

5 When a Contracting Party shall expropriate assets of an enterprise constituted under the law in force in any part of its own territory, and in which investors have participation of the other Contracting Party, shall ensure that nothing in this article to double guarantee prompt, adequate and effective compensation in respect of their investment to such investors of the other Contracting Party who are owners of those shares.

## **Article 7. Compensation for Losses**

1 Investors of one Contracting Party whose investments in the territory of the other contracting party suffer losses owing to war or other armed conflict, revolution, state of national emergency, revolt, civil disturbance or other similar events, the other Contracting Party shall be accorded to restitution, indemnification, compensation or other settlement, a treatment no less favourable than that which that Contracting Party accords to its own investors to investors or of any third State, whichever is more favourable to the investor concerned. the resulting payments shall be freely transferable.

2 Notwithstanding paragraph 1 of this article, investors of one Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from: (1) of this article, investors of one Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from:

- a) The requisition of investment or any part thereof by the forces or authorities of that Contracting Party; or
- b) The destruction of its investment or part thereof by the forces or authorities of that Contracting Party, without requiring the necessity of the situation,

The Contracting Party shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective. the resulting payments shall be made without delay and shall be freely transferable.

## **Article 8. Transfers**

1 Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer of all payments relating to their investments. such transfers shall include in particular, though not exclusively:

- a) The initial capital and additional amounts to develop, maintain or increase the investment;
- b) The investment income, as defined in article 1; article 1;
- c) The funds in repayment of loans related to an investment;
- d) The compensation provided for in articles 6 and 7; articles 6 and 7;
- e) The proceeds from the sale or the total or partial liquidation of an investment;
- f) Other earnings and remuneration of personnel engaged from abroad in connection with an investment;
- g) Payments arising out of the settlement of a dispute.

2 The transfers referred to in the present Agreement shall be made without delay in a freely convertible currency and at the market exchange rate prevailing on the date of transfer.

## **Article 9. More Favourable Terms**

1 If the legislation of either Contracting Party or its designated agency by existing or subsequently arise between the Contracting Parties in addition to the present agreement contain provisions, whether general or specific, which is to be granted to investments made by investors of the other contracting party to a more favourable treatment than that provided

for by the present Agreement, such rules shall prevail over this agreement to the extent that they are more favourable.

2 More favourable terms than those of this Agreement which have been granted by a contracting party to the investors of the other Contracting Party shall not be affected by this Agreement.

## **Article 10. Subrogation**

If a Contracting Party or its designated by an agency under a payment guarantee, indemnity or contract of insurance against non-commercial risks with regard to an investment made by any of its investors in the territory of the other contracting party, the latter shall recognise the assignment of any such right or claim of the investor to former Contracting Party or to its designated agency as well as the law of that Contracting Party or its designated agency by subrogation to exercise such right or claim to the same extent as its predecessor in title. the subrogation will ensure that the first Contracting Party or its designated agency is direct beneficiary of any payment or other indemnización might be entitled to compensation to the investor.

## **Article 11. Settlement of Disputes between the Contracting Parties**

1 Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall be settled as far as possible through diplomatic channels.

2 If the dispute cannot be settled in this way within six months from the beginning of negotiations, the dispute shall be submitted, at the request of either of the two contracting parties to an arbitral tribunal.

3 The arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one arbitrator and these two arbitrators shall elect a president is a national of a third country. the arbitrators shall be appointed within three months and the Chairman within five months from the date on which either Contracting Party has informed in writing to the other contracting party of its intention to submit the dispute to an arbitral tribunal.

4 If the necessary appointments have been made within the periods specified in paragraph 3 of this article, a Contracting Party may, in the absence of any other agreement, 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 unable to perform this function for other purposes, it shall ask the Vice-President to make the necessary appointments. if the Vice-President is a national of one of the contracting parties or nor to perform this function would be encouraged to make the necessary appointments to the member of the International Court of Justice to continue in seniority who is not a national of any of the Parties contratantes. apartado 3 of this article, a Contracting Party may, in the absence of any other agreement, 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 unable to perform this function for other purposes, it shall ask the Vice-President to make the necessary appointments. if the Vice-President is a national of one of the contracting parties or nor to perform this function would be encouraged to make the necessary appointments to the member of the International Court of Justice to continue in seniority who is not a national of either of the Contracting Parties.

5 The arbitral tribunal shall render its decision on the basis of respect for the law, to the provisions contained in this Agreement or in other agreements in force between the contracting parties, as well as the universally accepted principles of international law.

6 Unless the Contracting Parties decide otherwise, the arbitral tribunal shall determine its own procedure.

7 The arbitral tribunal shall reach its decision by a majority of votes and that decision shall be final and binding on both contracting parties.

8 Each Contracting Party shall bear the costs of the arbitrator appointed by it and costs of its representation in the arbitral proceedings. the other expenses, including the President, shall be borne in equal parts by the two contracting parties. the Tribunal may, however, decide that one of the two Contracting Party suffer a higher proportion of costs and this imposition shall be binding on both contracting parties.

## **Article 12. Settlement of Disputes between Investors and a Contracting Party of the other Contracting Party**

1 Disputes between a Contracting Party and an investor of the other contracting party concerning an investment under this Agreement shall be notified in writing, including detailed information by the investor to the former Contracting Party. to the extent possible, the parties concerned shall endeavor to settle these disputes amicably.

2 If such disputes cannot be settled amicably within six months from the date of the written notification mentioned in paragraph 1, the dispute shall be submitted, at the choice of the investor, to: (1), the dispute shall be submitted, at the choice of the investor, to:

The competent court of the Contracting Party in whose territory the investment has been made; or

A tribunal established ad hoc arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law; or

The International Centre International Centre for Settlement of Investment Disputes (ICSID) established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965, in case both contracting parties become Parties to this Convention.

3 The arbitration shall be based on:

The provisions contained in this Agreement or any other agreements in force between the contracting parties;

The rules and the universally accepted principles of international law;

The national law of the Contracting Party in whose territory the investment was made, including the rules relating to conflicts of law.

4 A Contracting Party shall not assert as a defence that the investor has received or will receive a guarantee or under a contract of insurance, a reimbursement or other compensation for all or part of the damage in question.

5 The arbitral decisions shall be final and binding on the parties to the dispute. each Contracting Party undertakes to execute the decisions in accordance with its national legislation.

## **Article 13. Entry Into Force , Duration and Termination**

1 This Agreement shall enter into force on the latter date on which the contracting parties have notified each other of the completion of the respective constitutional formalities required for the Entry into Force of international agreements. it shall remain in force for an initial period of ten years and shall continue in force for an unlimited period thereafter, unless one of the Contracting Parties denounces it by giving notice twelve months notice in writing. after the expiry of the initial period of ten years, this Agreement may be denounced at any time by either contracting party by written notification to the other Contracting Party with twelve months notice.

2 With respect to investments made prior to the date of termination of this Agreement, the provisions of all of the other articles of this Agreement shall remain in force for a further period of ten years from such date of termination.

Done at Madrid on 20 October 1999, each in two originals in the English, Arabic and English languages, all texts being equally authentic.

For the Kingdom of Spain

Elena pisonero Ruiz,

State Secretary of Commerce, Tourism and SME

For the Hashemite Kingdom of Jordan

Mohammad Asfour,

Minister of Trade and Industry