

AGREEMENT BETWEEN THE GOVERNMENT OF THE STATE OF QATAR AND THE GOVERNMENT OF THE REPUBLIC OF BULGARIA FOR THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

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

Desiring to develop the economic cooperation between the two States,

Desiring to encourage and create favorable conditions for investment of investors of one Contracting Party in the territory of the other Contracting Party on the basis of mutual benefit,

Recognizing that the mutual promotion and protection of these investments in accordance with the present Agreement will stimulate the initiatives in this field,

Have agreed as follows

Article 1. Definitions

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

(1) The term "Investment" means every kind of asset established or acquired, including changes in the form of such investment, in accordance with the national laws of the Contracting Party in whose territory the investment is made and in particular, though not exclusively, includes:

- a) Movable and immovable property as well as other rights in rem such as mortgages, liens or pledges
- b) Shares, stock, securities and any other similar forms of participation in companies
- c) Claims to money or to any performance under contract having an economic value associated with an investment
- d) Intellectual property rights, as defined in the multilateral agreements concluded under the auspices of the World Intellectual Property Organization, in as far as both Contracting Parties are Parties to them, including but not limited to copyright and related rights, patents, trade marks, trade names, industrial designs and rights in technical processes, rights in plants varieties, know-how and good will
- e) Rights to carry out business activities conferred by law, under a contract or an administrative act of a competent authority including concessions to explore, extract or exploit natural resources.

Any subsequent change of the form in which the investments have been made shall not affect their classification as investments, provided that such alteration is not in conflict with the legislation of the Contracting Party on the territory of which the investment is made.

(2) The term "Returns" means the amounts yielded by an investment or reinvestments, in particular though not exclusively includes profit, interest, capital gains, dividends, royalties and fees.

(3) The term "Investor" means:

- a) A natural person who is a national of one Contracting Party in accordance with its legislation and invests in the territory of the other Contracting Party
- b) Any company, organization, partnership or other forms of association organized or constituted in accordance with the legislation of one Contracting Party and having its seat in the territory of this Contracting Party.

(4) The term "Territory" means:

a) In respect of the State of Qatar: means the State of Qatar's Lands, internal and territorial waters including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf, over which the State of Qatar exercises its sovereignty and its sovereign rights in accordance with the provisions of international law and Qatar's internal laws and regulations

b) In respect of the Republic of Bulgaria: means the territory under the sovereignty of the Republic of Bulgaria, including the territorial sea, as well as the continental shelf and the exclusive economic zone over which the Republic of Bulgaria exercises sovereign rights and jurisdiction in conformity with its national legislation and international law.

Article 2. Promotion and Protection of Investment

(1) Each Contracting Party shall promote and create favorable conditions for the investments of the other Contracting Party investors to invest in its territory, and shall admit such investments in accordance with its laws and regulations.

(2) In case of reinvestment and its returns from an investment, these reinvestments and their returns shall enjoy the same treatment and protection as the initial investments.

(3) Each Contracting Party shall in accordance with its laws and regulations grant all necessary facilities and permits for the entry, stay and work in its territory of nationals of the other Contracting Party and key personnel employed by the investor of the other Contracting Party in order to engage in activities connected with its investment and members of their families forming part of their households.

Article 3. Treatment of Investments

(1) Each Contracting Party shall in its territory accord to investments of investors of the other Contracting Party treatment which shall not be less favorable than that accorded to investments of its own investors or to investments of investors of any third State, whichever is more favorable for the investor.

(2) Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards to management, maintenance, use, enjoyment or disposal of their investment, treatment which is not less favorable than that accorded to their own investors or to investors of any third State, whichever is more favorable for the investor.

(3) Provisions stipulated in the above paragraphs shall not be construed so as to oblige one Contracting Party to allow the investors of the other Contracting Party to enjoy any treatments or privileges resulting from:

a) Any membership or affiliation to present or future free trade area, customs, economic and monetary union, common market, or any other form for regional and international economic cooperation.

b) Any Agreements on Avoidance of Double Taxation or any other form of agreements or matters related to taxation.

(4) Each Contracting Party reserves the right to make, in accordance with its legislation, exceptions on the national treatments which shall be granted according to paragraphs 1 and 2 of this Article. However; any new exception shall only apply to investments made after the entry into force of such exception.

(5) If the provisions of domestic law of the State of either Contracting Party or obligations under present or future international agreements applicable between the Contracting Parties or other international agreements, to which they are parties, contain regulations, whether general or specific, entitling Investments by investors of the other Contracting Party to a treatment more favorable than is provided for by the present Agreement, such regulations shall to the extent that are more favorable prevail over the present Agreement.

(6) Unless otherwise specifically agreed, the treatment provided for in Article 3 shall apply to the whole of this Agreement.

Article 4. Nationalization or Expropriation

(1) Investments of investors of either Contracting Party shall not be expropriated or nationalized or subjected to any measures having effect equivalent to expropriation or nationalization (hereinafter referred to as "expropriation"), in the territory of the other Contracting Party, except by virtue of law, for especially important state needs that can not be satisfied by other means, on a non-discriminatory basis and against prompt, effective and adequate compensation.

(2) Such compensation shall be equivalent to the market value of the investment expropriated immediately before the expropriation was taken or before the impending expropriation become public knowledge, whichever is earlier, shall be

paid without delay and shall include the annual rate of interest equal to 12 months LIBOR quoted for the, currency in which the investments have been made until the date of payment.

(3) The investor of one Contracting Party affected from the expropriation shall have the right, under the law of the State of the Contracting Party making the expropriation, to prompt review by a competent judicial or other independent authority of that Contracting Party of his or its case and of the valuation of his or its investments in accordance with the principles set out in this Article.

(4) Where a Contracting Party expropriates the assets of company which is incorporated or constituted under the law in force in any part of its own territory, and in which investors of the other Contracting Party own part of its shares, it shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to ensure fair and equitable compensation in respect of their investment to such investors of the other Contracting Party who are owners of those shares.

Article 5. Compensation for Losses

Investors of one Contracting Party whose investments suffer losses due to war or any other armed conflict, revolution, national state of emergency, revolt, insurrection or riot occurring on the territory of the other Contracting Party, shall be accorded by the latter Contracting Party, treatment, as regards restitution or indemnification or compensation or other settlement, not less favorable than that granted to its own investors or investors of any third state, whichever is more favorable to the concerned investors.

Article 6. Transfers

(1) Each Contracting Party shall guarantee to the investors of the other Contracting Party, the free transfer of sums related to their investments in accordance with its laws and regulations and in particular though not, exclusively:

- a) Capital and additional capital amounts used to maintain and increase the investment;
- b) Returns from the investment;
- c) Repayments of any loan including interest thereon, relating to the investment;
- d) Proceeds obtained from the total or partial liquidation of the investment;
- e) The sums required for payment of the expenses which arise from the operation of the investment such as:
 - * loan repayments;
 - * payment of patents or license fees;
 - * payment of other expenses;
- f) Compensation payable in accordance with Articles 4 and 5;
- g) The remuneration and salaries received by nationals of the other Contracting Party for work or services done in connection with investments made in its territory, in accordance with its laws and regulations.

(2) The transfers referred to in the preceding paragraph shall be made without delay in a freely convertible currency, at the exchange rate prevailing on the date of the transfer in the territory of the Contracting Party where the investment was made.

(3) The provisions of Paragraphs 1 and 2 of this Article will be used without prejudice to measures adopted by the European Community.

Article 7. Subrogation

If one Contracting Party or its designed agency made payments to one of its own investors under an indemnity, guarantee or insurance contract against investment made in the territory of the other Contracting Party, the first mentioned Party or its designed agency shall have, in this case, full rights of subrogation with regard to the rights, actions and claims, to the same extent as its predecessor in title.

Article 8. Settlement of Disputes between a Contracting Party and an Investor of the

other Contracting Party

(1) Dispute which arise between an investor of one Contracting Party and the other Contracting Party concerning the obligations of the latter under this Agreement, in relation to an investment of the former, shall as far as possible, be settled through negotiations.

(2) If such disputes cannot be settled within six months from the date either Contracting Party to the dispute requested settlement through negotiations, the concerned investor may submit the dispute to

a) The competent court of the Contracting Party, which is party of the dispute; or

b) in case of dispute with regard to Articles 4, 5,6 and 7 of this Agreement the investor concerned may choose, instead, to submit the dispute for settlement by arbitration to

i) An ad hoc arbitral tribunal to be established under the Arbitral Rules of the United-Nations Commission on International Trade Law (UNCITRAL); or

ii) The International Centre for Settlement of Investment Disputes, set up by the Convention of investment Disputes between States and Nationals of other States done at Washington, March 18th 1965 (ICSID), in case both Contracting Parties are parties to the said Convention.

For this purpose each Contracting Party herewith declare its consent to the above mentioned international arbitration.

If a dispute arises and the parties to the dispute decide to submit it to the court or arbitration, by applying to one of the bodies, specified in paragraph 2 of this Article, they refrain from their right to apply to the other.

(3) The award shall be final and binding to both parties to the dispute and shall carry out in accordance with the domestic law of the concerned Contracting Party.

The recognition of the execution procedure for the delivered decision of the national court or arbitration shall be determined in accordance with the procedural laws of the Contracting Party, on the territory of which the execution will be performed.

Article 9. Settlement of Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of the provisions of this Agreement shall be settled through the diplomatic channels and negotiations between the Contracting Parties.

(2) If a dispute between the Contracting Parties is not settled within six months after the beginning of negotiations, it shall, upon the request of either Contracting Party and after written notification to the other Contracting Party, be submitted to an Arbitral Tribunal.

(3) Such an arbitral tribunal shall be constituted for each individual case in the following way

Within three months of the receipt of the request for arbitration, each Contracting party shall appoint one member of the tribunal.

Those two members shall then select a national of a third state who, on approval by the two Contracting Parties shall be appointed as a Chairman of the tribunal, within a period of two months from the date of appointment of the other two arbitrators.

(4) If within the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice in The Hague to make any necessary appointments.

If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments.

If the Vice-President is a national of either Contracting Party or if he too prevented from discharging the said function, the Member of the International Court of Justice next in seniority, who is not a national of either Contracting Party, shall be invited to make the necessary appointments.

(5) The Chairman and the members of the tribunal have to be nationals of States with which both Contracting Parties have diplomatic relation.

(6) If at any time during the proceedings pursuant to paragraphs (2), (3) and (4) of this Article the Contracting Parties agreed upon satisfactory settlement of the dispute, they should withdraw the case from the Arbitral Tribunal.

(7) The Arbitral Tribunal reaches its decision on the basis of the provisions of the present Agreement as well as the generally accepted principles and rules of international law. The Arbitral Tribunal reaches its decision by a majority of votes. Such decision shall be final and binding on both Contracting Parties. The Arbitral Tribunal determines its own procedure.

(8) Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings. The cost of the Chairman and the remaining costs shall be borne equally by the Contracting Parties.

Article 10. Consultations

Each Contracting Party may propose to the other Contracting Party to enter into consultations concerning all questions related to the implementation or interpretation of the present Agreement.

The other Contracting Party shall make the necessary arrangements for holding these consultations.

Article 11. Application of Ther Rules

(1) Except as otherwise provided in this Agreement, all investments shall be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

(2) Notwithstanding paragraph 1 of this Article nothing in this Agreement precludes the host Contracting Party from taking action for the protection of its essential security interests or public order or morality affecting public order or in circumstances of extreme emergency in accordance with its laws normally and reasonably applied on a non-discriminatory basis.

(3) The provisions of this Agreement shall not preclude the Republic of Bulgaria from executing its obligations as a member of the European Union, and shall not preclude the State of Qatar from executing its obligations as a member of the Gulf Cooperation Council.

Article 12. Application of this Agreement

This Agreement shall apply to all investments made by investor of one Contracting Party in the territory of other Contracting Party, whether made prior to or after its entry into force, but shall not apply to disputes and claims that have arisen before its entry into force.

Article 13. Amendments

Any amendments and additions can be made to this Agreement by written mutual consent of the Contracting Parties. Provided that this amendments and additions shall be made in a form of separate Protocols being an integral part of this Agreement and shall enter into force in accordance with the provisions of Article 14 of this Agreement.

Article 14. Entry Into Force and Duration

(1) This Agreement shall enter into force on the date of receiving of the last written notification confirming the completion of the respective internal procedures required for the entry into force of this Agreement.

(2) This Agreement shall remain in force for a period of ten (10) years and shall continue in force automatically thereafter for successive periods of ten years unless, either of the Contracting Parties notifies in writing through diplomatic channels at least one year in advance the other Contracting Party of its intention to terminate the Agreement.

(3) In respect of investments made prior to the date of termination of this Agreement, the provisions of Article 1 to 13 shall remain in force for a further period of ten (10) years from the dale of termination of this Agreement.

IN WITNESS WHEREOF the undersigned duly authorized thereto by their respective Governments, have signed this Agreement. Done in Doha on this ____ day of Shawwal 1428 corresponding to 01 day of November 2007, in two originals in the Arabic, Bulgarian and English languages, all texts being equally authentic.

In case of divergence of interpretation the English text shall prevail.

For the Government of The Republic of Bulgaria

For the Government of The State of Qatar