

Agreement between the Government of the Sultanate of Oman and the Government of the Syrian Arab Republic on the Encouragement and Reciprocal Protection of Investments

The Government of the Sultanate of Oman and the Government of the Syrian Arab Republic hereinafter referred to as the Contracting Parties;

Desiring to expand and strengthen the existing economic cooperation between the two countries in a way that serves their common interests, and the creation of a favorable climate conducive to increased investment by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the promotion and protection of investments will lead to stimulating business initiatives and the transfer of capital and technology between the two countries, which serves the economic development in both countries;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement unless the context otherwise requires, the following words shall have the meanings assigned to each of them, as follows:

1) Investment: Any type of assets executed as an investment in accordance with the laws and regulations of the Contracting Party accepting the investment in its territory after the entry into force of this Agreement. It includes but is not limited to:

a) Movable and immovable property and any other in-kind rights such as mortgage, collateral and any similar rights;

b) Companies shares, bonds, securities and shares in companies ownership;

c) Industrial property rights and intellectual property rights, including copyright, patents, trademarks, trade names, industrial designs, technical processes, secrets and business reputation;

d) Debts due to be paid and due from the investment in the host country;

e) Returns: the amounts resulting from investment or reinvestment, including, but not limited to, profits, dividends, royalty, royalties and interest.

f) Commercial concessions granted by law or by comprehensive contracts, the concessions for the search, cultivation, extraction or exploitation of natural resources.

Any modification in the form in which the assets are invested or reinvested shall not affect their nature as an investment, provided that such modification is not inconsistent with the legislation of the Contracting Party in whose territory the investment is made.

2) Investor:

a) Natural person: a person of the nationality of one of the contracting parties according to its laws.

b) Juridical person: any legal person established or established in accordance with the laws of one of the contracting parties and is based in the territory of that contracting party.

3) Territory:

a) For the Syrian Arab Republic, territory means:

The territory of the Syrian Arab Republic and inland waters, its territorial sea and the subsoil thereof, the territory and

airspace above it and the maritime areas in which Syria has sovereign rights.

b) For the Sultanate of Oman:

For the Sultanate of Oman: The lands, marine areas, territorial waters and beyond, on which the Sultanate exercises sovereign rights in accordance with their domestic and international law.

Article 2. Investment Protection

- 1) Each Contracting Party shall, in accordance with the principles of international law, provide fair and equitable treatment to investments of investors of the other Contracting Party in its territory.
- 2) Each Contracting Party shall encourage investments of investors of the other contracting party in the territory and accept such investments in accordance with the national laws and regulations and the provisions of this Agreement.
- 3) Each Contracting Party shall provide the necessary facilities and permits for entry, exit, stay and work for investors and those whose business is permanently or temporarily connected to the investment, like experts, administrators, technicians and workers in accordance with the legislation and laws in force in the host country of investment,
- 4) Investments and their returns shall be enjoyed by the investors of either Contracting Party in the territory of the other Contracting Party of facilities, incentives and other forms of encouragement, including exemptions from taxes and fees stipulated in investment laws and regulations applicable in the host country of investment.
- 5) Each Contracting Party shall, in its territory, provide to investors of the other Contracting Party, for their investment and investment-related activities are no less favorable to the investors of a third country. This treatment does not include the privileges granted by one of the Contracting Parties to investors of a third country by virtue of his participation in and / or affiliation to free trade zone, customs union, common market or any other form of Regional Economic Cooperation. The provisions of this Article shall not apply to tax matters.

Article 3. Nationalization and Expropriation

- 1) Investments made by investors of one of the Contracting Parties shall enjoy full protection and safety in the territory of the other Contracting Party.
- 2) Investments of investors of either Contracting Party shall not be subject to nationalization or expropriation, confiscation or other actions of similar effect, directly or indirectly, in the territory of the other Contracting Party, unless it is for general purposes and on a non-discriminatory basis, and in accordance with the laws in force and in return of fair compensation without delay.
- 3) Fair compensation shall be based on direct market values immediately preceding to the time when the nationalization, expropriation or expropriation decision was announced or before it decision became known to the public. If it is not possible to ascertain the market value easily, compensation is determined according to generally accepted norms for evaluation and on the basis of equitable principles that take into account, among other things, the amount of capital invested and depreciated, and the amount of capital transferred previously, and any other related elements. The compensation includes interests calculated on the basis of the prevailing interest rate in the host country as of the date of determination of the amount of compensation or after six months from the date of expropriation, whichever comes earlier and up to the date of payment.

Article 4. Compensation for Losses

Investors of either Contracting Party whose investments have suffered losses in the territory of the other Contracting Party as a result of war, armed conflict, revolution, civil emergency or civil disobedience shall be treated no less favorably than that accorded by the other Contracting Party to investors of its nationals or nationals of a third State, whichever is better for the concerned investors.

Article 5. Transfers

Each of the Contracting Parties shall allow the transfer of capital and proceeds abroad in the currency in which it was originally received or in any freely convertible currency without delay. This includes for example:

- 1) The invested capital and any additions to the capital, including the reinvested returns to maintain or increase the

investment.

2) Returns.

3) Funds resulting from the total or partial liquidation of any investment made by investors of the other Contracting State after the performance of their financial obligations.

4) Repayment of loans, installments and interest obtained abroad from the host country in foreign currencies, for the purpose of financing or expansion of the investment.

5) Remuneration and remuneration of nationals of the other Contracting Party and of nationals of any third State allowed to work in investment-related activities.

6) Compensation mentioned in Articles III and IV of this Agreement and payments received from investment-related disputes. Transfers referred to in the preceding paragraphs shall be made in accordance to the prevailing exchange rate at the date of conversion.

Article 6. Subrogation

In cases where one of the Contracting Parties or its designated agent guarantees the investments of investors of the other Contracting Party established on its territory against non-commercial risks, according to this Agreement, the other Contracting Party agrees to the First Contracting Party or its designated agent under this Agreement, the right of subrogation to exercise the rights and claims of these investors, provided that they do not exceed the rights and claims of this investor.

Article 7. Application of other Rules

The investments governed by this Agreement shall benefit from the better provisions and benefits provided for in other treaties to which the two States are a party, or those provided for in the domestic laws of the host State.

Article 8. Settlement of Disputes between the Investor and the Host Country of Investment

1) Settlement of disputes between the investor of one Contracting Party and the host country of the investment will be settled amicably between the parties concerned.

2) If this dispute is not settled amicably within a period of six months from the date of request for settlement in writing, the dispute may be submitted to the parties with the consent of the parties:

a) the competent court of the Contracting Party host country of the investment, or

b) The competent authorities to settle disputes in accordance with the Unified Agreement for the Investment of Arab Capital in the Arab Countries of 1980.

In the case a choice is made for one of the previous dispute settlement procedures, neither of them has the right to choose the other.

3) If the parties to the dispute do not agree within three months on one of the procedures referred to in paragraph (2) of this Article, the dispute shall be dealt with, at the request of the investor, according to one of the two procedures chosen by the investor. The three months shall start at the end of the six-month period mentioned in paragraph (2) above.

4) Arbitral awards shall be final and binding on the Party to the dispute, and each Contracting Party shall be binding and implemented in accordance with national law and without delay.

Article 9. Settlement of Disputes between the Contracting Parties

1) Disputes arising from the implementation of this Agreement shall be settled by negotiation through diplomatic channels.

2) If both Contracting Parties fail to reach an agreement within nine months from the start of negotiations, the dispute shall be referred, at the request of either of them, to an arbitral tribunal composed of three members. Each Party shall be authorized to appoint one arbitrator, and must nominate. Arbitrators should be of a third country and have no direct or indirect relationships with both parties.

If both Contracting Parties are unable to reach an agreement within nine months of commencement, at the request of either of them, the dispute shall be submitted to an arbitral tribunal composed of three members. Each Contracting Party shall appoint one arbitrator, who shall appoint a President of the arbitral tribunal who shall be a national of a third country that has diplomatic relations with both contracting parties.

3) If one of the Contracting Parties does not appoint an arbitrator and does not observe the invitation of the Contracting Party, the other arbitrator shall be appointed upon request of the other Contracting Party by the Secretary General of the League of Arab States

4) If both arbitrators cannot reach agreement on the selection of the President of the tribunal within two months after the appointment shall be appointed by the President that at the request of any of the Contracting Parties by the Secretary General of the Arab League.

5) The tribunal shall establish its own procedures and shall issue its judgments by a majority vote. Its decisions are final and binding on the Contracting Parties. Also based on any request of the Contracting Parties, the tribunal shall interpret the judgments they render. Unless the arbitral tribunal decides otherwise, expenses shall be borne and equally divided between the Contracting Parties

Article 10. Consultation

Either Contracting Party may propose to the other Contracting Party to consult on its will to develop this Agreement or any related matter, and hold consultations at any place and time to be agreed upon through diplomatic channels.

Article 11. Entry Into Force and Duration

1) This Agreement shall enter into force 30 days after the date of the last two notifications of completing the procedures of ratification by the Contracting Parties.

2) This Agreement will remain in force for a period of twenty years and shall remain in force thereafter for a similar period or periods if one of the Contracting Parties does not notify the other Contracting Party in writing, at least one year before the expiry of its term.

3) For investments made prior to the termination of the Agreement, the provisions of the Articles of the Article 1 to Article 10 shall remain in force for an additional period of twenty years after the date of termination of the agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate in the Arabic language in Damascus on this day of 14th September 2005. Both texts have equal legal validity

For the Government of the Syrian Arab Republic

Amer Hasee Lotfy

Minister of Economy and Trade

For the Government of the Sultanate of Oman

Ahmed bin Abdul Nabi Makki

Minister of National Economy

Vice Chairman of the Council of Affairs Finance and Energy Resources