

# **Agreement between the Government of the Republic of Bulgaria and the Government of the Hashemite Kingdom of Jordan on mutual encouragement and protection of investments**

The Government of the Republic of Bulgaria and the Government of the Hashemite Kingdom of Jordan, hereinafter referred to as "contracting parties"

Desiring to accelerate economic cooperation between them in respect of investments of investors of either Contracting Party in the territory of the other Contracting Party;

Recognizing that agreement on the treatment of such investments will stimulate the growth of private capital and the economic development of the Parties;

Agreeing that fair and equitable treatment of investment is desirable to maintain a stable framework for investment and maximum effective utilization of economic resources, have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. The term "investment" means any kind of investment of an investor of either Contracting Party in the territory of the other Contracting Party in accordance with the law of the Contracting Party in whose territory the investment was made, and shall include in particular, but not exclusively:

- a) movable and immovable property and limited real rights on real estate, such as mortgages, pledges, usufruct and similar rights;
- b) shares, stocks, bonds and other forms of participation in companies;
- c) associated with investment monetary claims or claims to performance having economic value;
- d) intellectual property rights, such as those defined in multilateral agreements concluded under the auspices of the World Intellectual Property Organization, where the Contracting Parties are parties thereto, including but not limited to copyright and related rights, industrial property rights, trademarks, patents, industrial designs and technical processes, rights in plants, know-how, trade names, trade secrets and Good-Will;
- e) any right conferred by law, contract or administrative act of a competent state authority, including concessions to search for, cultivate, extract or exploit natural resources.

The investment includes the increase in the value of the investment in items "a" to "e".

Any change in the form in which assets are invested or reinvested does not affect their character as investment, provided that the change is in accordance with the law of the Contracting Party in whose territory the investment was carried out.

2. The term "returns" means the amounts legally yielded by an investment and includes in particular, but not exclusively, profits, dividends, interest, profits from the sale of capital assets, royalties, patents, licenses and other fees.

3. The term "investor" means:

- a) any natural person who is a national of one of the contracting parties and made an investment in the territory of the other Contracting Party;
- b) any legal person, including a company, association or other organization, differentiated set up or otherwise duly incorporated under the laws of either Contracting Party, with headquarters and actual economic activity in its territory and

make investments in the territory of the other Contracting Party.

4. The term "territory" means:

a) in respect of the Republic of Bulgaria: state territory of the Republic of Bulgaria, including the territorial sea and continental shelf and the exclusive economic zone over which Bulgaria exercises sovereign rights or jurisdiction in accordance with international law;

b) in respect of the Hashemite Kingdom of Jordan, the territory of the Hashemite Kingdom of Jordan and coastal areas adjacent to the outer limit of the territorial sea, including seabed and subsoil on which the Hashemite Kingdom of Jordan exercises sovereign rights and jurisdiction in accordance with international law.

## **Article 2. Promotion and Protection of Investments**

1. Each Contracting Party shall promote and protect in its territory investments by investors of the other Contracting Party and admit such investments in accordance with its laws, giving them fair and equitable treatment and protection.

2. In case of reinvestment of returns on investment, these reinvestments and revenues from them enjoy the same protection as the original investment.

## **Article 3. Treatment of Investments and Investors**

1. Each Contracting Party shall in its territory in terms of investments and income from them to investors of the other Party treatment no less favorable than that accorded to investments and income from them to its own investors or investors of any third state, depending on what is more favorable.

2. Each Contracting Party shall within its territory accord to the investors of the other Contracting Party in respect of the expansion, management, operation, maintenance, use, possession and disposal of their investments treatment no less favorable than that accorded to its own investors or investors of any third state, depending on what is more favorable for these investors.

3. The provisions of par. 1 and 2 of this Article shall be construed so as to oblige either Contracting Party to provide investors and their investments to other

Party's present or future benefit of any advantage or privilege which may be extended by the former Contracting Party to investors and their investments to a third country under:

a) participation in, or association with any existing or future customs union, free trade area, economic community, multilateral agreement on investment or a similar international institution, as well as other international agreements leading to such unions and other forms of economic cooperation or

b) any multilateral or bilateral agreement or arrangement relating wholly or mainly to taxation.

4. Each Contracting Party reserves the right to make or maintain in accordance with its legislation exceptions to the national treatment regimen provided under par. 1 and 2 of this Article. Any new exception, however, applies only to investments made after the entry into force of this exception.

5. If the provisions of domestic law of any Contracting Party or obligations under existing or future international agreements applicable between the Contracting Parties or other international treaties to which they are parties, contain regulations, whether general or specific providing investments by investors of the other Contracting party treatment more favorable than that provided in this agreement, such provisions will prevail over this contract to the extent that they are more favorable.

## **Article 4. Compensation for Losses**

1. Investors of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, other armed conflict, emergency or other similar events shall be provided in terms of recovery, indemnification, compensation or other settlement no less favorable than that accorded to its own investors or investors of any third state, depending on what is more favorable.

2. Without prejudice to that in par. 1 of this Article investors of either Contracting Party, as a result of any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party due to:

a) requisitioning of all or part of their property by its forces or authorities,

b) the destruction of part or all of their property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

Provide immediate recovery or fair and adequate compensation for damage or loss occurring during the period of requisitioning as a result of destruction of their property. Resulting payments shall be freely transferable without delay in a freely convertible currency.

## **Article 5. Expropriation and Compensation**

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to measures having effect to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Party except:

a) for any purpose that is in the public interest;

b) non-discriminatory basis;

c) in accordance with due process of law, and

d) against prompt, adequate and effective compensation.

2. Such compensation amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation became publicly known, depending on which of them occurred earlier paid without delay and shall include interest equal to 6-month LIBOR quotes on the currency in which it was carried out the investment at the time of expropriation until the date of actual payment.

3. The investor of either Contracting Party, who claimed that all or part of its investment has been expropriated shall have the right to prompt review by the appropriate judicial or administrative authority of the other Contracting Party to determine whether such expropriation has occurred in the cases of so whether this expropriation and compensation for it comply with the principles of international law.

## **Article 6. Transfers**

1. Each Contracting Party shall accord to investors of the other Contracting Party, after fulfillment of all their tax or other fiscal obligations of its kind under the legislation of the host Contracting Party the right of free translation:

a) initial capital and additional amounts intended to maintain or increase the investment;

b) returns from the investment;

c) revenues generated by the total or partial sale or liquidation of the investment;

d) payments made under a contract including repayment of loans;

e) compensation payable pursuant to Art. 4 and 5 (ie compensation for losses and compensation for expropriation) and payments arising in connection with an investment dispute;

f) the remuneration received by nationals of the other Contracting Party regarding an investment.

2. The transfers referred to in paragraph. 1 shall be made without delay, in freely convertible currency at the market exchange rate on the date of transfer with respect to spot transactions in the currency to be transferred.

3. All orders subject to in the present article shall be provided in accordance with the legislation of each Contracting Party treatment no less favorable than that accorded to transfers made by investors of any third state.

## **Article 7. Entry, Residence and Employment of Foreigners**

1. In accordance with its law, treating the entry, residence and employment of foreigners, each Contracting Party shall allow the entry and stay on its territory of nationals of the other Contracting Party for the establishment, development, management and control in connection with the investment, in which they or a company of the other Contracting party that employs them, have invested or are in the process of incorporation of significant capital or other resources.

2. Each Contracting Party allows investors to hire managerial personnel of their choice regardless of nationality.

## **Article 8. Subrogation**

If a Contracting Party or its designated agency makes payment to one of its own investors under a guarantee or contract of insurance given in connection with investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize the transfer of right or claim belonging to such investor to the first Contracting party or its designated agency and the right of the first Contracting party or its designated agency to exercise by virtue of subrogation any such right or claim to an amount not exceeding the right of the transferor to.

## **Article 9. Consultations**

Any Contracting Party may request the other Contracting Party to launch a consultation on all matters relating to the interpretation or application of this Agreement. The location and timing of such consultations shall be agreed through diplomatic channels.

## **Article 10. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party**

1. Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party concerning an investment of that investor in the territory of the latter Contracting Party shall be permitted as far as possible, amicably through negotiations.

2. If such a dispute can not be settled within six months from the date on which either party to the dispute requested amicable settlement through negotiations, the investor concerned may submit the dispute to any of the following institutions:

- a) the competent court of the Contracting Party in whose territory the investment has been carried out; or
- b) the arbitral tribunal ad hoc, which will be constituted under the Arbitration Rules of the Commission of the United Nations on International Trade Law (UNCITRAL); or
- c) the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed in Washington on March 18, 1965, in case both Contracting Parties are parties under this Convention.

3. For the purposes of this Article, an investment dispute is defined as a dispute involving:

- a) the interpretation or application of an investment agreement between a Contracting Party and an investor of the other Contracting Party;
- b) the interpretation or application of permission for investment, given such an investor by the competent authority for foreign investment of the Contracting Party;
- c) alleged breach of any right conferred or created based on this contract in terms of investment.

4. The arbitral tribunal shall take its decision based on national law of the Contracting Party - a party to the dispute on the basis of the provisions of this Agreement and the generally accepted principles and norms of international law.

5. The decision of the arbitral tribunal shall be final and binding on both parties to the dispute and enforced in accordance with the domestic law of the Contracting Party concerned.

6. At no stage of the arbitral proceedings or enforcement of the judgment Contracting Party which is party to the dispute can not be objected that the investor who is the other party to the dispute has received under an insurance contract or full partial compensation for its losses.

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

1. Any dispute between the Contracting Parties concerning the interpretation or application of the provisions of this agreement shall be governed, as far as possible, amicably through negotiations.

2. In the event that such a dispute between the contracting parties is not permitted under par. 1 of this Article within a

period of six months after being requested negotiations, it applies the written request of either Contracting Party for settlement to the arbitration court.

3. Such an arbitral tribunal shall be constituted for each individual case in the following way: Within three months of receiving an application for arbitration, each Contracting Party shall appoint one member of the tribunal. Those two members shall select a third country maintains diplomatic relations with each contracting party, which approval of both Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members.

4. If the time limits specified in par. 3 of this Article shall not be made the necessary appointments, each Contracting Party in the absence of any other agreement, may 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 unable otherwise to execute the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a citizen of either Contracting Party or is also prevented from discharging ukazanatata function next in seniority member of the International Court of Justice who is not a citizen of either Contracting Party shall be invited to make the necessary appointments.

5. The arbitral tribunal shall reach its decision based on the provisions of this Agreement, and based on generally accepted principles and norms of international law. The court shall determine its own procedure.

6. The arbitral tribunal shall reach its decision by majority vote. This decision is final and binding on both Parties.

7. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral process. The costs of the Chairman and other costs shall be borne equally by the Contracting Parties.

## **Article 12. Exempt Measures**

This agreement does not prevent a Contracting Party in implementing the measures necessary to maintain public order, fulfillment of obligations in connection with the maintenance or restoration of international peace or security, or the protection of its security interests.

## **Article 13. Application**

This contract applies to all investments made in the territory of each contracting party in accordance with its legislation by investors of the other Contracting Party. However, the Treaty does not apply to the dispute before it enters into force.

## **Article 14. Entry Into Force, Duration and Termination**

1. This Agreement shall enter into force on the thirtieth day from the date of receipt of the notes by which the Contracting Parties notify each other that the requirements of their national legislations for the entry into force of the contract.

2. It shall remain in force for a period of five years. Then its validity shall be automatically extended for each subsequent period of two years until which either Contracting Party notifies in writing the other Contracting Party of its intention to terminate the contract. Such written notice shall be given at least 12 months before the first or the extended period.

3. In respect of investments made prior to the date on which the notice of termination of this Agreement enters into force, the provisions of Articles 1 to 13 shall remain in force for a further period of five years from the date of notification referred to in para. 2 of this article.

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

Done in duplicate in the city of Amman on August 7, 2002 in Bulgarian, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation prevail in English.