

AGREEMENT BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE REPUBLIC OF LEBANON FOR THE ENCOURAGEMENT AND PROTECTION OF INVESTMENTS.

The government of the Hashemite Kingdom of Jordan and the government of the Republic of Lebanon referred to hereinafter as the contracting countries.

Desiring to widen and deepen economic cooperation between them, total best interest of the two countries specifically in creating favorable conditions for investments made by investors of the contracting parties in the territories of the other contracting party.

Recognizing that the encouragement and reciprocal protection will be conducive to the stimulation of commercial initiative and increase prosperity in both contracting states

Have agreed as follows

Article 1:. Definitions

For the purposes of this agreement:

1. The term "investment" means every kind of investment of assets invested in accordance with the laws and regulations of the other contracting party hosting the investment including but not limited to:

A Movable and immovable assets and any property rights connected herewith such as mortgages, pledges and guarantees.

B Bonds, shares and securities in companies ownership.

C Titles and claims to money or right in any obligation to work having financial value.

D Intellectual property including rights relating to publication, patents, trademarks, trade names industrial designs, commercial secrets, technical manufacturing processes, know how and goodwill.

E Business privileges granted by law or contract prospecting and discoveries and extraction or exploitation of natural resources, any change in invested funds form shall not have effect in their classification as investment provided that such change shall not contradict the laws and regulations of the contracting party hosting the investment.

2. The term "returns" means the amounts gained from investment and include in particle but not limited to profits, interests, revenue, dividends and fees as well as receipts for administrative works, technical Assistance or other charges.

3. The term "investor" means:

A A natural person possessing the nationality of the other contracting country according to its applicable laws.

B Any other legal entity including companies, Agencies, Business institutions and any other intuitions duly established according to laws of that contracting party in which its head quarter is located in the territory of the same contracting party.

4. The term "territory" means the territory of either contracting party including the area reason that the contracting party alone enjoy sovereignty thereon including seabed and under ground, that the contracting enjoy sovereignty right or authority in according to local laws and international law.

Article 2:. Protection and Encouragement of Investments

1 Each of the two contracting countries shall, according to its applicable laws and regulations accept and encourage investments in its region made by investors of the other contracting country.

2 Investments of any contracting party, at all times, shall enjoy fair treatment and enjoy complete protection and safety in the territory of the other contracting party.

3 When a contracting party accept investment of the other contracting party in his territory shall grant, according to its laws and regulations the necessary licenses relating to such investment, including the facilities and permits required for, employment of senior administration and technicians according to investor choice without regard to his nationality.

4 Each contracting party, within its territory and according to his laws and regulations to protect the investments of the investors of the other contracting part and not to do any harm through illegal or discriminatory actions in managing, maintenance, use, enjoyment, expansion selling or liquidation of such investment.

Article 3:. Investments Treatment

1 Each contracting country shall guarantee a fair and equitable treatment at all times, to investments in its territory made by investors of the other contracting country. This treatment shall be not less favorable then similar investment circumstances treatment accorded to investors of a third country whichever is more favorable.

2 Investors of one of the contracting countries whose investments in the other contracting country are subjected to damages or losses due to wars or other armed conflict or a national emergency or revolution or disturbances or similar events, shall be granted, by the other contracting country as regards the return to previous conditions, or return of losses or compensation or any other settlement, not less favorable than treatment granted, by the other contracting country, to its own investors or investors of a third country whichever is more favorable and the payments resulted free to transfer.

3 The most favorable state treatment shall not be construed so as to oblige any Contracting Party to extend to the investors or investments of the other Contracting Party the advantages or custom union currently exists or to be established in future, a free trade zone or regional economic organization or either of the Contracting party may hold the membership. Furthermore, that treatment shall not be related to any advantage provided by either of the Contracting Parties to the investors of a third party by virtue of an agreement on double taxation or other agreement on the mutual basis concerning taxes.

Article 4:. Expropriation:

Any Contracting Party is not allowed to take expropriation or nationalization measures against the investments of any investor of the other Contracting party, except in the following circumstances:

1. The measures are adopted for legal purposes and in accordance with due process of law.
2. The measures are not discriminatory.
3. These measures shall be accompanied with allocations for prompt and effective payment of compensation provided that the compensation shall be equal to the value of the investment prevailing in the market at the time of expropriation decision announcement or prior to such measures being known to the public whichever it better to the concerned investor and the compensation shall be transferable in freely convertible currency with the other Contracting Party. However, any delay in payment of these compensations, an appropriate interest with reasonable commercial price or according to an agreement between the Contracting Parties.

Subject to the provisions of article six of the present agreement, the investor shall have the right to object to any expropriation measures and compensation assessment, and he has the right to follow various legal and judicial measures effective in the host country.

Article 5:. Free Transfer

1. Each Contracting party shall allow to the other Contracting Party nationals without undue delay the free transfer in any freely convertible currency:

- a- Net profits, dividends, revenues, technical assistance, technical fees and interests and other current income resulted form the investments of the investors of the other Contracting Party.
- b- The proceeds accruing from total or partial sale or liquidation of an investment of the investors of the other Contracting

Party.

c- Funds allocated for settlement of legally concluded debts and loans provided by investors from one contracting party to investors from the other contracting party considered by the two contracting parties as investment.

d- Earnings of employees of either Contracting Party allowed to work in connection of investment in the territory of the other Contracting Party.

e- Compensation resulted from investment dispute settlement.

Article 6:. Settlement of Disputes Relating to Investment between a Contracting Party and an Investor of the other Contracting Party

1. For the purpose of settlement of any dispute arise between a Contracting Party and an investor of the other Contracting Party regarding the investment of the later in the said Contracting Party's territory, it shall be settled, if possible, through negotiations.

2. If they failed to settle the disputes within 6 months from the date of either parties' request for settlement by negotiations through a written notification to other Contracting Party, the dispute shall be solved according to the investor selection from the following alternatives:

a- To the competent court of the contracting party who employed the investment in his territory, or

b- In accordance with special settlement provision to settle disputes of the unified agreement for Investing Arab Capitals In the Arab Countries for the year 1980, and any amendments thereof,

c- The International Center for Disputes Settlements (the Center), which established according to Investment Disputes Settlements Agreements between the countries and nationals of other states opened for signature in Washington on 18, March 1965.

d- An arbitration court established by virtue of arbitration rules (the "Rules") of the United Nation Committee for International Trade Law (UNCTRL), unless the dispute parties agreed other wise. The choice approved in accordance with sub-paragraphs (A), (B), (C), (D) mentioned above shall be final and binding.

3. The arbitration tribunal shall settle the dispute in accordance of the provisions of this agreement and the rules of the international law and principles applicable and the arbitration decisions will be final and binding for the two parties, and each contracting party shall execute, without delay, any decision as such according to the local law.

4. The contracting party in the dispute shall not defend himself, at any time, during the legal procedures course for the settlement of the dispute investment of his immunity or in the fact that the investor received compensation in accordance with insurance policy covering the damages or losses incurred as whole or part thereof.

Article 7:. Settlement of Disputes between the Contracting Parties

1. In case of any dispute arise form the interpretation or application of provisions of this agreement shall be settled by means of negotiations.

2. If both Contracting Parties fail to settle the dispute according to item 1 above within 6 months from the date of the commencement of negotiation, the dispute, upon the request of either of the Contracting Parties shall be presented before a special arbitration tribunal.

3. The arbitration tribunal, which made of three arbitrator, shall be particularly formed by the two Contracting Parties. Each Contracting party shall nominate one arbitrator, and then the two nominated arbitrators shall appoint the third arbitrator who will be the president of the arbitration tribunal. However, the three arbitrators shall be appointed within 3 months, and the president shall be appointed at least within 5 months from the date of the receipt of arbitration announcement.

4. In case of either Contracting Parties failure to make the above-mentioned appointments within the months period, the later Contracting Parties may call the president of the International High Court of Justice to make the necessary appointments.

5. If the two arbitrators failed to reach an agreement about the selection of the arbitration tribunal head within two months of their appointment, that tribunal head shall be appointed in accordance with the request of either contracting party, by the President of the International Court.

6. If the President of the International Court, in the cases mentioned in paragraphs "4" and "5" of this article, prevented from accomplishment of his mission mentioned above or holding the nationality of either contracting party, such appointment shall be conducted by the acting President of the International Court, and if the later was prevent from accomplishment of his mission mentioned above or he was holding the nationality of either contracting party, such appointment shall be conducted by the next senior court judge holding the nationality of neither contracting party.

7. The arbitration tribunal shall issue its decisions on the basis of law respect and the provisions of this agreement as well the international law principles.

8. The arbitration tribunal shall stipulate special procedures and shall take its decisions by majority of votes, however the resolutions of this tribunal shall be considered binding and final to the Contracting Parties.

9. Each Contracting Party shall bear all expenses related to his appointed arbitrator and the Contracting Parties shall be responsible for expenses related to the president as well other expenses.

Article 8:. Transfer of Rights

If either of the contracting party or appointed agent paid money to the interest of his investors by virtue of an insurance program to cover risks for non-trade investments which established in the territories of other Contracting Party, the other Contracting Party shall recognize to the first party the transfer of all rights and claims of his national to his own interest, and the host party recognize to the first party to substitute his designated agent concerning all these rights and claims of owner ship.

Article 9:. Other Obligations

1. If the legislation of any contracting party or the obligations in accordance with the International law currently existed or that shall be decided later on between the two contracting parties in addition to the present agreement contain a judgment whether general or specific covering investments of investors from the other contracting party has the right to more favorable treatment than that stated in the present Agreement then such judgment prevail to the more favorable extent.

2. Each contracting party shall take into consideration any other commitment he assumed concerning the investment invested in his territory by investors from the other contracting party.

Article 10:. Scope of Application on Investment

This Agreement shall apply to investments invested or to be invested by investors from either Contracting party in the territory of the other Contracting party in accordance with its laws, legislation, and regulations in force prior to the effective date of this agreement, provided that this agreement shall not take effect on the disputes took place prior its effective date.

Article 11. Entry Into Force, Duration, and Termination of Agreement

1. This Agreement shall enter into force thirty days of the date of the later of notifications showing the completion of both parties the constitutional requirements required for the entry into force of this Agreement.

2. This agreement shall remain in force for ten years and shall be extended tacitly for further similar period unless terminated according to paragraph three of this article.

3. Each Contracting Party shall have the right to terminate this agreement at the end of its duration or at any time after the expiry of the initial ten years period by a written notice served to the other Contracting party one year prior to the intended termination date.

4. Regarding the investment established or obtained prior to the termination date of this agreement, all other articles of this agreement shall remain effective for ten years from the termination date.

In witness whereof the undersigned, dully authorized by their respective Governments have signed this agreement.

Done in duplicated copies in Arabic language in Amman on 31.10.2002.

For the Government of the Hashemite Kingdom Of Jordan

Minister of Industry and Trade

Chairman of the board of Investment promotion corporation

Dr. Salah Eddin Al-Bashir

For the Government of the Republic of Lebanon

Fuad Al-Sanyoura

Upon signature of the Agreement Between the Government of the Hashemite Kingdom of Jordan and the government of the Republic of Lebanon for the Encouragement and protection of Investment, the two contracting parties agreed on the following provisions, which are considered integral part of the agreement:

In respect of article (3) relating to investment treatment:

The provisions of treatment granted to investors of either contracting party shall not apply to the treatment granted to the investors of the other contracting party, in respect of possession of real estate rights except for the framework allowed by laws and regulations in force for contracting parties.

Written in two original copies in Arabic Language in Beirut, on 31.10.2002.