AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the People's Republic of Bangladesh and the Government of the Republic of Singapore and hereinafter referred to as "the Contracting Parties",

Desiring to expand and strengthen economic and industrial cooperation on a long term basis and in particular, to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing the need to protect investments by investors of both Contracting Parties and to stimulate the flow of investments and individual business initiatives with a view to promoting the economic prosperity of the Contracting Parties:

Have agreed as follows:

Article 1. Definitions

1. For the purpose of this Agreement:

(a) "Investment" means every kind of asset, by each Contracting Party in accordance with the laws and regulation, including though not exclusively, any: ;(i) Moveable and immoveable property and any other property rights such as mortgages, liens and pledges;

(ii) Shares, stocks and debentures of companies or interests in the properties of such companies;

(iii) Claims to money or to any performance under contract having an economic value related to an investment;

(iv) Intellectual property rights, and goodwill;

(v) Business concessions to search for cultivate, extract or exploit natural resources;

(b) "return" means the amount yielded by an investment in particular though not exclusively, includes profits, interests, capital gains, dividends, royalties or fees;

(c) "investor" means: (i) Any natural person possessing the citizenship of a Contracting Party in accordance with law; or

(ii) Any legal person including any company, firm, association or body incorporated, established or registered under the legislation in force of either of the Contracting Party;

(d) "territory" means:

The term "territory" means, in respect of each Contracting Party, its land territory, internal waters and territorial sea as well as the maritime zones beyond the territorial sea, including the seabed and subsoil, over which the Contracting Party exercises sovereign rights or jurisdiction under its national laws, which shall conform to International law for the purposes of exploration and exploitation of the natural resources of such areas

(e) "freely usable currency" means the United States dollar, Pound Sterling, Deutsche Mark, French Franc, Japanese Yen or any other currency that is widely used to make payments for international transactions and widely traded in the international principal exchange markets.

2.

(i) The term "investments" referred to in paragraphs 1(a) shall only refer to all investments that are made in accordance with

the laws, regulations and national policies of the Contracting Parties.

(iii) Any Change in the term of the investment shall not affect their character as investment if such change is in line with the applicable procedure in Article 2.

Article 2. Applicability of this Agreement

1. This Agreement shall only apply:

(a) In respect of investments in the territory of the Republic of Singapore to all investments made by investors of the People's Republic of Bangladesh, which are specifically approved in writing by the competent authority designated by the Government of the Republic of Singapore and upon such conditions, if any, as it shall deem fit;

(b) In respect of investments in the territory of the People's Republic of Bangladesh, to all investments made by investors of the Republic of Singapore, in accordance with the legislation of the People's Republic of Bangladesh.

Article 3. Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contacting Party to make investment in its territory and admit or approve such investments in accordance with the provisions of Article 2.

2. Investment of investors of each Contracting Party shall at all times be accorded equitable treatment and shall enjoy full and adequate protection and security in the territory of the other Contracting Party.

Article 4. Most Favoured-nation Provision

1. Investments made by investors of either Contracting Party in the territory of the other Contracting Party shall receive treatment which is fair and equilable and not less favourable than that accorded to investments made by investors of any third State.

2. The provisions of this Agreement relative to the granting of treatment not less favourable than that accorded to the investors of any third State shall not be construed so as to oblige one Contracting Party to extend to the investors of the other the benefit of any treatment, preference or privilege resulting from:

(a) Any existing or future customs union or free trade area or a common market or a monetary union or similar international agreement or other forms of regional cooperation to which either of the Contracting Parties is or may become a party; or the adoption of an agreement designed to lead to the formation or extension of such a union or area within a reasonable length of times or

(b) Any provision relating to expropriation in any Investment guarantee agreements entered into by Singapore prior to 1991.

3. The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the Contracting Parties and the domestic laws of each Contracting Party.

4. Investors of one Contacting Party whose Investment in the territory of the other Contracting Party suffer losses owing to war or other armed conflict revolution, a state of national emergency, revolt, insunection, will receive compensation or other settlement, if any, no less favourable than that which the latter Contracting Party accords to investors of any third State. Any resulting compensation shall be freely convertible and transferable.

Article 5. Expropriation

1. Neither Contracting Party shall take any measure of expropriation, nationalization or other measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") against the investment of investors of the other Contracting Party unless the measures are taken for any purpose authorised by law, on a non-discriminatory basis, in accordance with its laws and against compensation which shall be effectively realisable and shall be made without unreasonable delay. Such compensation, shall, subject to the laws of each Contracting Party, be the value calculated on the date when the actual or impending expropriation becomes officially known. The compensation shall be freely convertible and transferable.

2. Any measure of expropriation or valuation may, at the request of the investors affected, be reviewed by a judicial at other Independent tribunal of the Contracting Party taking the measures in the manner prescribed by its laws.

3. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the laws in force in any part of its own territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to guarantee compensation as specified therein to such Investors of the other Contracting Party who are owners of those shares.

Article 6. Repatriation of Investment

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer, on a non-discriminatory basis, of their capital and the returns from any investments, the transfer shall be made in a freely convertible currency, without any restriction or undue delay. Such transfers shall include in particular, though not exclusively:

(a) The net profits, dividends, royalties, technical assistance and technical fees, interest and other current income accruing from any investment of the investors of the other Contracting Party;

(b) The proceeds from total or partial liquidation of any investment made by investors of the other Contracting Party;

(c) Funds in repayment of borrowings/loans given by investors of one Contracting Party to the investors of the other Contracting Party which both Contracting Parties have recognized as investment; and

(d) The earnings and other compensation of nationals of the other Contracting Party who are employed and allowed to work in connection with an investment in the territory of the other Contracting Party.

2. The exchange rates applicable to such transfers referred to in paragraph 1 of this Article, shall be the rate of exchange prevailing at the time of remittance.

3. The Contracting Parties undertake to accord, to the transfers referred to in paragraph 1 of this Article, treatment as favourable as that accorded to transfers originating from investments made by investors of any third State.

Article 7. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any dispute between investors of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. The party intending to resolve such dispute through negotiations shall give written notice to the other of its intention.

2. If the dispute cannot be thus resolved as provided in paragraph 1 of this Article, within 6 months from the date of the notice given thereunder, then, unless the parties have otherwise agreed, it shall, upon the request of either party to the dispute, be submitted to conciliation or arbitration by the International Centre for Settlement of Investment Disputes (called "the Centre" in this Agreement) established by the Convention on the Settlement of Investment Disputes between the States and Nationals of Other States opened lot signature at Washington on 18 March, 1965 (called "the Convention" in this Agreenment).

3. Each Contracting Party hereby consents to the submission of an investment dispute to international conciliation or arbitration and any arbitral award shall be final and binding upon the parties to the dispute.

Article 8. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interprelation or application of this Agreement should, if possible, be settled through diplomatic channels.

2. If a dispute between the Contracting Parties cannot thus be settled, it shall upon the request of either 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 two 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 Chairman of the tribunal. The Chairman shall be appointed within two (2) months from the date of appointment of the other two members.

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 to

make the necessary appointment. 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 is 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 appointment, and so on.

5. The arbitral tribunal shall reach its decision by majority of votes. Such decision shall be binding on both Contracting Parties, 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 cost shall be borne in equal parts by the Contracting Parties. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Contracting Parties and this award shall be binding on both Contracting Parties. The tribunal shall determine its own procedures.

Article 9. Subrogation

1. A Contracting Party or its designated agency having made payment to an investor based on a guarantee of protection from non-commercial risks in relation to an investment in the territory of the other Contacting Party, shall be entitled by virtue of subrogation, to exercise the rights of the investors to the same extent as the said investor. The procedures for the exercise of such rights may be prescribed in the legislation, if necessary, of the latter Contracting Party.

2. Any payment made by one Contacting Party or its designated agency pursuant to the terms of paragraph 1 of this Article to its investors shall not affect the right of such investors to make their claims against the other Contracting Party in accordance with Article 7.

Article 10. Entry Into Force Duration and Termination

1. Each Contracting Party shall notify the other Contracting Party of the fulfillment of its internal legal procedures required for the bringing into force of this Agreement. This-Agreement shall enter into force on the thirtieth day from the date of notification of the latter Contracting Party.

2. This Agreement shall remain in force for a period of fifteen years. Thereafter, it shall remain in force until the expiration of twelve months from the date when either of the Contracting Party notifies in writing of its decision to terminate this Agreement.

3. In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 10 shall remain in force for a further period of fifteen years from that date.

4. This Agreement may be amended in writing by mutual consent of the Contracting Parties. On agreement having been reached, each Contracting Party shall notify the other in writing that it has completed all internal state requirements for the entry into force of such amendment. The amendment shall enter into force on the date of the latter of the two notifications.

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

Done in duplicate at Dhaka this 24th day of June 2004 in the English language.

FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

Lee Yock Suan

Minister in the Prime Minister's Office and Second Minister for Foreign Affairs

Motiur Rahman Nizami

Minister for industries