AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Argentina and the Government of the Arab Republic of Egypt, hereinafter referred to as the Contracting Parties.

Desiring to intensify economic cooperation between both countries.

Aiming at creating favourable conditions for investments by investors of a Contracting Party in the territory of the other Contracting Party, and

Recognizing that the promotion and protection of such investments on the basis of an agreement stimulate business initiatives in this field.

Have agreed as follows:

Article I.

For the purposes of this Agreement:

(1) The term "investment" means, in conformity with the laws and regulations of the Contracting Party in whose territory the investment is made, every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party, in accordance with the latter's laws. It includes in particular, though not exclusively:

(a) movable and immovable property as well as any other property rights, such as mortgages and pledges;

(b) shares, stocks and any other kind of participation in companies;

(c) title to money and claims to performance having an economic value;

(d) intellectual property rights, including in particular copyrights, patents, industrial designs, trademarks, trade names, technical processes, know-how, and goodwill;

(2) The term "investor" shall mean:

(a) any natural person who is a national of a Contracting Party in accordance with its laws;

(b) any legal person, including companies, organizations, associations, constituted or incorporated in other way under the law in force in either Contracting Party and having its seat and substantial economic activities in the territory of that Contracting Party; and

(c) any legal person established in accordance under the law in force in any country, effectively controlled by natural persons of that Contracting Party or by legal persons having their seat substantial economic activities in the territory of that Contracting Party.

(3) The provisions of this Agreement shall not apply to investments made by natural persons who are nationals of one Contracting Party in the territory of the other Contracting Party if such persons, at the time of the investments, been domiciled in the latter Contracting Party for more than 2 years, unless it is proved that the original investment was admitted in its territory from abroad.

(4) The term "returns" means all amount yielded by an investment, such as profits, dividends, interest, royalties and other income.

(5) The term "territory" shall mean the national territory of either Contracting Party, including those maritime areas adjacent to the outer limit of the territorial sea of the national territory, over which the Contracting Party concerned may, in accordance with international law, exercise sovereign rights or jurisdiction.

Article II.

(1) Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party and shall admit such investments in accordance with its legislation.

(2) This Agreement shall apply to every investment made by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its laws, but this Agreement shall not apply to any dispute, difference or divergence which arose before its entry into force.

Article III.

(1) Each Contracting Party shall at all times ensure fair and equitable treatment of the investments by investors of the other Contracting Party, and shall not impair the management, maintenance, use, enjoyment or disposal thereof, as well as the acquisition of goods and services and the sale of its production, through unjustified or discriminatory measures.

(2) Each Contracting Party shall grant full legal protection to investments in its territory by investors of the other Contracting Party and shall accord to such investments a treatment which is no less favourable than that accorded to investments by its own investors or by investors of third states. This provision shall also apply to returns yielded by investments.

(3) Notwithstanding the provisions of Paragraph (2) of this Article, the treatment of the most-favoured-nation shall not apply to privileges which either Contracting Party accords to investors of a third state because of its membership in, or association with a free trade area, customs union, common market or other regional agreement.

(4) The provisions of Paragraph (2) of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from any international agreement or arrangement relating wholly or mainly to taxation accorded on a reciprocal basis.

(5) The provisions of Paragraph (2) of this Article shall not apply on the provisions of bilateral agreements signed by the Government of the Republic of Argentina and Italy on 10th December 1987 and also with Spain on 3rd June 1988.

Article IV.

(1) Neither of the Contracting Parties shall take any measure of nationalization or expropriation or any other measure having the same effect against investments in its territory and belonging to investors of the other Contracting Party, unless the measures are taken in the public interest and under due process of law. The measures are accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation becomes public knowledge. Compensation will be freely transferable.

(2) Investors of either Contracting Party who suffer losses of their investments in the territory of the other Contracting Party due to war or other armed conflicts, a state of national emergency, revolt, insurrection, or riot shall be accorded, with respect to restitution, indemnification, compensation or other settlement, a treatment which is no less favorable than that accorded to its own investors or to investors of any third state. Resulting payments shall be transferable without delay.

Article V.

(1) Each Contracting Party shall allow the unrestricted transfer of:

(a) the capital and additional sums necessary for the maintenance and development of the investment;

(b) gains, profits, dividends, interests and other current income;

(c) funds in repayment of loans regularly contracted and documented and directly related to a specific investment;

(d) royalties and fees;

(e) the proceeds from a total or partial liquidation of an investment;

(f) compensation provided for in article 4;

(g) the earnings of nationals of one Contracting Party who are allowed to work in connection with an investment in the territory of the other.

(2) Transfers shall be effected without delay in freely convertible currency in the normal applicable exchange rate at the date of the transfer, in accordance with the procedures established by the Contracting Party in whose territory the investment was made, which shall not imply a rejection, a suspension or denaturalization of such transfer.

Article VI.

(1) If a Contracting Party or any agency thereof makes made a payment to any of its investors under a guarantee or insurance it has contracted in respect of an investment, the other Contracting Party shall recognize the validity of the subrogation in favor of the former Contracting Party or agency thereof to any right or title held by the investor.

The Contracting Party or any agency thereof which is subrogated in the rights of an investor shall be entitled to the same rights of as those of the investor and to the extent that they exercise such rights they shall do so subject to the obligations of the investor pertaining to such insured investment.

(2) In the case of subrogation as defined in Paragraph (1) above, the investor shall not pursue a claim unless authorized to do so by the Contracting Party or any agency thereof.

Article VII.

If the provisions of the law of either Contracting Party or obligations under international law existing at present or established thereafter between the Contracting Parties in addition to the present Agreement or if any agreement between an investor of one Contracting Party and the other Contracting Party contain rules, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for the present Agreement, such rules shall to the extent that they are more favorable prevail over the present Agreement.

Article VIII.

Either Contracting Party may propose the other Party to consult on any matter concerning the interpretation or application of the Agreement. The other Party shall accord sympathetic consideration to and shall afford accord adequate opportunity for such consultation.

Article IX.

(1) Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled by negotiations between the Governments of the Contracting Parties.

(2) If the dispute cannot thus be settled within six months following the date on which the negotiations have been engaged, it shall at the request of either Contracting Party be submitted to an arbitration tribunal.

(3) The arbitration tribunal shall be set up from case to case, each Contracting Party appointing one member. These two members shall then agree upon a national of a third state as their chairman, to be appointed by the Governments of the two Contracting Parties. The members shall be appointed within three months, and the chairman within five months, from the date either Contracting Party has advised the other Contracting Party of its wish to submit the dispute to an arbitration tribunal.

(4) If the time limits referred to Paragraph (3) of this Article have not been complied with, either Contracting Party may, in the absence of any other relevant arrangement, invite the Secretary General of the United Nations to make the necessary appointments. If the Secretary General of the United Nations is prevented from discharging the function provided for in Paragraph (3) of this Article or is a national of either Contracting Party, the most senior Assistant Secretary General who is not a national of either Contracting Party shall be invited to make the necessary appointments.

(5) The arbitration tribunal shall determine its own procedure.

(6) The arbitration tribunal shall reach its decision by a majority of votes, the decision being final and binding on the Contracting Parties.

(7) Each Contracting Party shall bear the cost of the member appointed by that Contracting Party as well as the costs for its

representation in the arbitration proceedings; the cost of the chairman as well as any other costs shall be borne in equal parts by both Contracting Parties.

Article X.

(1) Any dispute which arises within the terms of this Agreement concerning an investment between an investor of one Contracting Party and the other Contracting Party shall, if possible, be settled amicably.

(2) If the dispute cannot thus be settled within six months following the date on which the dispute has been raised by either party, it may be submitted, upon request of the investor, either to:

- the competent tribunal of the Contracting Party in whose territory the investment was made.

- international arbitration according to the provisions of Paragraph (3).

Where an investor has submitted the dispute to the aforementioned competent tribunal of the Contracting Party where the investment has been made or to international arbitration, this choice shall be final.

(3) In case of international arbitration, the dispute shall be submitted, at the investor's choice either to:

- the International Centre for Settlement of Investment Disputes (ICSID) created by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965, once both Contracting Parties herein become members thereof. As far as this provision is not complied with, each Contracting Party consents that the dispute be submitted to arbitration under the regulation of the ICSID Additional Facility for the Administration of Conciliation Arbitration and Fact-Finding Proceedings; or

- an arbitration tribunal set up from case to case in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

(4) The arbitration tribunal shall decide in accordance with the provisions of this Agreement, the laws of the Contracting Party involved in the dispute, including the rules on conflict of law, the terms of any specific agreement concluded in relation to such an investment and the relevant principles of international law.

(5) The arbitral decision shall be final and binding for the parties in the dispute. Each Contracting Party shall execute them in accordance with its laws.

Article XI.

(1) This Agreement shall enter into force on the day of exchanging the written notifications by both Contracting Parties indicating that the constitutional arrangements had already been completed.

(2) This Agreement shall remain in force for a period of ten years from that day and automatically remain in force, unless one of the Contracting Parties notifies the other Party in writing of its intention to terminate the Agreement, at least six months prior to the expiration of that period.

Regarding investments made prior to the date when the notice of termination of this Agreement, becomes effective, the provisions of Article I to X shall remain in force for a further period of ten years from that date.

In witness whereof the undersigned, duly authorized to this effect, have signed this Agreement.

Done at Cairo on the eleventh of May 1992 in duplicate in the Spanish, Arabic and English languages, the three texts being equally authentic. In case there is any divergence of interpretation of the provisions, the English text shall, however, prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA

GUIDO DI TELLA

MINISTER OF FOREIGN RELATIONS AND WORSHIP

FOR THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

MAURICE MAKRAMALLAH

MINISTER OF INTERNATIONAL COOPERATION