

# LAW 55

## From September 29 of 2010

By which approves the CONVENTION FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF THE STATE OF QATAR, given in Doha on March 1, 2010

THE NATIONAL ASSEMBLY DECREES:

Article 1. The CONVENTION FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PANAMA AND THE GOVERNMENT OF THE STATE OF QATAR is hereby approved in all its parts

CONVENTION FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE REPUBLIC

OF PANAMA AND THE GOVERNMENT OF THE STATE OF QATAR

The Government of the Republic of Panama and the Government of the State of Qatar, hereinafter referred to as the Contracting Parties,

In the desire to create conditions conducive to the promotion of greater investment by investors of one of the Contracting Parties within the territory of the other Contracting Party;

Recognizing that the promotion and protection of these investments will stimulate the flow of capital and technology between the two Contracting Parties for the benefit of economic development;

Recognizing the importance of providing effective means to enforce claims and rights with respect to investments, in accordance with national legislation as well as through international arbitration;

With the desire to achieve these objectives in a way that enables and enables the protection of health, safety and the environment, and the promotion of internationally recognized labor rights;

Recognizing the benefits to each Party as a result of increased international investment and that distorting investment measures and protectionism would deprive Parties of such benefits;

Recognizing that foreign direct investment produces positive benefits to each of the Parties;

With the desire to promote and facilitate the contacts of the private sector of both countries;

Have agreed as follows:

### **Article 1. Definitions**

For the purposes of this Agreement and unless otherwise noted, the following words and terms shall have the corresponding meaning:

1. Investor means,

- With respect to the State of Qatar:

A) natural persons in their capacity as nationals of the State of Qatar in accordance with their applicable laws;

(B) State institutions and governmental agencies, corporations, companies, firms or commercial corporations incorporated

or constituted in accordance with the laws in force in the State of Qatar and having their headquarters in the territory of that State;

- With respect to the Republic of Panama:

A) any natural person who, in accordance with the legislation of the Republic of Panama, is considered a citizen of said country;

(B) any entity constituted and organized under applicable law, whether or not for profit, whether controlled by or private or governmental, including a corporation, trust, partnership, sole proprietorship, joint venture or joint venture, partnership or Similar organization and a branch of a company;

2. Investment means any asset that is owned or controlled by an investor, directly or indirectly, with characteristics of an investment, including such characteristics as the investment commitment or other resources, the expectation of profits or benefits or the acceptance of risk. The forms an investment can take include:

(A) an undertaking;

B) actions, values and other forms of similar participation in a company;

C) bonds, debentures, loans and other debt instruments of an enterprise;

D) rights under contracts, including turnkey, construction, administration, production, concession contracts or revenue sharing;

(E) pecuniary claims established and maintained in relation to the conduct of commercial activities;

F) intellectual property rights;

(G) rights granted under national legislation or contracts, such as concessions, licenses, authorizations and permits, except those that do not generate rights protected under national legislation, and

H) other tangible or intangible assets or movable and immovable property, and related property rights, such as leases, mortgages, liens or gifts;

3. Performance means the amounts obtained through an investment and includes, but not exclusively, profits, interest, capital gains, dividends, royalties and fees. Reinvested returns will receive the same protection as an investment;

4. By territory is understood,

(A) with respect to the State of Qatar: its lands, inland and territorial waters, including the bottom and subsoil, its airspace, the exclusive economic zone and the continental shelf, over which the State of Qatar exercises its sovereignty as well as its rights Sovereignty and jurisdiction, in accordance with the provisions of international law and the domestic laws and regulations of that State;

B) with respect to the Republic of Panama: land, maritime and air swords under its sovereignty, and the exclusive economic zone and continental shelf, on which it exercises sovereign rights and jurisdiction, in accordance with the provisions of International Law And its national legislation.

## **Article 2. Area of Application**

This Convention shall apply to all investments made by investors of either Contracting Party within the territory of the other Contracting Party, accepted as such in accordance with their laws and regulations, whether they were made before or after entry in

Validity of this Agreement, but shall not apply to any investment dispute that has arisen, or to a claim relating to an investment that has been resolved prior to its entry into force.

## **Article 3. Promotion and Protection of Investments**

1. Each Contracting Party shall promote and create conditions conducive to investors of the other Contracting Party to invest within its territory and shall admit such investments in accordance with its laws and regulations in force.

2. The investments of the investors of each Contracting Party, carried out in accordance with their respective laws and regulations, shall at all times receive fair and equitable treatment and shall enjoy full protection and security within the

territory of the other Contracting Party.

## **Article 4. National Treatment and Most-favored Nation Treatment**

1. Each Contracting Party shall accord to investments of investors of the other Contracting Party treatment no less favorable than that accorded to it, either to investments of its own investors or to investments of investors of any third State.

2. In addition, each Contracting Party shall accord to investors of the other Contracting Party, including as regards returns on its investments, treatment no less favorable than that accorded to investors of any third State.

3. The provisions stipulated in the preceding paragraphs shall not be interpreted as allowing the investors of the Contracting Parties to enjoy the privileges granted by one of the Contracting Parties to investors of a third State by virtue of Your participation in any of the following:

(A) Conventions relating to any customs union, free trade areas, regional economic bodies or similar or existing international conventions;

B) Matters related, totally or mainly, with tax matters.

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

1. Neither Party may expropriate or nationalize an investment, either directly or indirectly, through measures equivalent to expropriation or nationalization (expropriation), except:

A) for public purposes;

(B) on a non-discriminatory basis;

C) by the payment of a timely, adequate and effective compensation;

D) according to due process of law.

2. Such compensation shall be equivalent to the actual market value of the investment expropriated at the time of its expropriation or declaration and shall be calculated on the basis of the normal economic situation prevailing prior to any threat of expropriation. The compensation due shall be paid without undue delay and shall be freely transferable and include interest at a fair and equitable rate; However, it shall not be less than the LIBOR interest rate in force at six months or its equivalent, from the date of expropriation up to the date on which the payment is made.

3. Without prejudice to the rights of the investor, as provided in Article (8) of this Agreement, the latter shall be entitled, under the laws of the Contracting Party conducting the expropriation, to a review of the valuation of his or her Compensation by a judicial authority or other authority independent of that Party, in accordance with the principles set forth in this Article. The Contracting Party conducting the expropriation shall ensure that such review is carried out as soon as possible.

4. When a Contracting Party expropriates from the assets of a company, incorporated or constituted under the laws in force in any part of its own territory, and in which investors of the other Contracting Party hold shares, the first Contracting Party shall guarantee That the provisions set forth in paragraph (1) of this Article shall be applied to the extent necessary to ensure that investors of the other Contracting Party, holders of such shares, receive fair and equitable compensation in respect of their investment.

5. Investors of one Contracting Party, whose investments within the territory of the other Contracting Party suffer losses due to war or other armed conflict, national state of emergency or civil disturbances within the territory of the latter Contracting Party, shall receive from the latter Contracting Party As regards restitution, compensation, compensation or

Any other arrangement, treatment no less favorable than that accorded to its own investors or to investors of a third State. The resulting payments shall be freely transferable.

6-This Article does not apply to the issuance of compulsory licenses granted in respect of intellectual property rights under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) or the revocation, limitation or creation of rights To the extent that such issue, revocation, limitation or creation is in accordance with the TRIPS Agreement.

## **Article 6. Repatriation of Investments and Performance**

1. Each Contracting Party shall permit all funds of an investor of the other Contracting Party relating to an investment within its territory to be freely transferable without undue delay and on a non-discriminatory basis. Such funds would include:

A) Capital and additional capital amounts used to maintain and increase investment;

B) Returns;

C) Payments of any loan, including interests derived therefrom, related to the investment;

D) Sums proceeds from the sale of its shares;

E) Sums received by the investors from the sale or partial sale or liquidation;

(F) The income of citizens / nationals of one Contracting Party, whose work is related to an investment within the territory of the other Contracting Party;

G) Payments resulting from an investment dispute;

(H) Compensation under Article 5 of this

Agreement.

2. A Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws in respect of:

(A) bankruptcy, insolvency or protection of the rights of creditors;

B) issue, negotiation or trade of securities or securities;

C) crimes or criminal offenses;

D) information or registration of financial data of transfers when it is required to assist the competent authorities in complying with financial laws or regulations; or

E) ensure full compliance with judgments or rulings within judicial proceedings.

3. Unless the Parties otherwise agree, as provided in paragraph 1 of this Article, the transfer of currency in the currency used in the original investment or in any other convertible currency shall be permitted. Such transfer shall be made at the exchange rate prevailing in the market at the date of the transfer.

## **Article 7. Subrogation**

When a Contracting Party or designated body has secured compensation against non-commercial risks in respect of an investment made by one of its investors within the territory of the other Contracting Party and has made a payment to such investors in respect of their claims as provided for in this Agreement, the other Contracting Party recognizes the right of the first Contracting Party or its body authorized by virtue of subrogation to exercise its rights and assert the claims of those investors. Subrogated rights or claims shall not exceed the original rights or claims of such investors.

## **Article 8. Solution of Disputes between a Contracting Party and an Investor of the other Contracting Party**

1. Subject to the provisions of this Agreement, any legal dispute arising between one Contracting Party and an investor of the other Contracting Party as a direct result of an investment shall be settled amicably between the Parties.

2. According to the provisions of paragraph 1 of this Article, if such disputes can not be resolved within six months from the date on which their settlement is requested in writing, any of the parties to the dispute may submit Said dispute before:

(A) the competent court of the host Contracting Party for its decision, if the investor so agrees;

(B) the International Center for Settlement of Investment Disputes, established under the Agreement on Settlement of Investment Disputes between States and Nationals of Other States, signed at Washington, D.C. On 18 March 1965, if that Convention applies to the Contracting Parties; or

C) an Ad Hoc Arbitration Court,

Any of the parties to the dispute choosing one of the above ways to settle a dispute will not be able to choose the other two forms.

3. As provided in this Article, no claim may be submitted to arbitration if more than three years have elapsed since the date on which the claimant first had or should have known of the cause of the dispute.

4. The Ad Hoc Arbitration Court referred to in paragraph (2) c. Shall be as follows:

A) Each of the Parties to the dispute shall appoint an arbitrator and the two arbitrators so appointed shall choose by mutual agreement a third arbitrator, who shall be a citizen of a third country and who shall be appointed President of the Court by the two parties. All arbitrators shall be appointed within two months of the date on which a party notifies the other party of its intention to submit the dispute to arbitration;

B) If the periods mentioned in paragraph (4) above have not been respected a. Any of the Parties, in the absence of any other agreement, shall request the Secretary-General or the Deputy Secretary-General of the Court of Arbitration of The Hague, who is not a national of either Contracting Party, to make the necessary appointments;

C) The Ad Hoc Arbitration Court shall base its decision according to the majority of votes. These decisions shall be final and legally binding on the parties and shall be respected in accordance with the national law of the Contracting Party, party to the dispute. Decisions shall be taken in accordance with the provisions of this Convention and the laws of the Contracting Party, party to the dispute;

(D) The Tribunal shall interpret its judgment and justify its decision at the request of either Party.

Subject to the foregoing, the Tribunal shall comply with the Rules of Arbitration and Conciliation of the United Nations Commission on International Trade Law (UNCITRAL), 1976.

## **Article 9. Settlement of Disputes between the Contracting Parties**

1. Both Contracting Parties shall seek, in good faith and on the basis of mutual cooperation, to reach a prompt and fair settlement of any dispute between them regarding the interpretation or execution of this Agreement. In this regard, the Parties hereby agree to enter into direct and objective negotiations for such a solution. If the dispute has not been settled within six months from the date on which the matter was raised by either Contracting Party, it may be submitted, at the request of either Contracting Party, to an Arbitral Tribunal Composed of three members.

2. Within two months from the date of receipt of such request, each Contracting Party shall appoint an arbitrator and the two arbitrators so appointed shall appoint, within two months and with the approval of both Contracting Parties, A third-country national as President of the Court.

3. If, within the periods mentioned in paragraph (2) of this Article, the necessary appointments have not been made, either of the Contracting Parties may, in the absence of any other agreement, request the President of the International Court of Justice To make the necessary appointments. If there is an impediment to this function, the Vice-President will be requested to make the necessary appointments. If the Vice-President is a national of one of the Contracting Parties, or if there is also an impediment to that function, the Member of the International Court of Justice, next in rank and not a national of one of the Contracting Parties, make the necessary appointments.

4. The Arbitral Tribunal shall base its decision according to the majority of votes. Such decisions shall be binding on both Contracting Parties. Each Contracting Party shall cover the costs of its own member of the tribunal and of its representation in arbitration proceedings; The costs of the President and the remaining costs shall be covered in equal parts by the Contracting Parties. The court may, however, decide that a higher proportion of costs shall be covered by one of the two Contracting Parties, and this judgment shall be binding on both Contracting Parties. The Court shall determine its own procedure.

5. All claims shall be filed and all hearings shall be held within a period of eight months from the date on which the third member is appointed, unless otherwise agreed. The court shall render its decision within two months of the date on which the last claims are filed or of the closing date of the general sessions, whichever is the later.

6. A dispute shall not be allowed to be submitted to an Arbitral Tribunal under the regulations of this Article if the same dispute was submitted to another Arbitration Tribunal under the aforementioned Article 8 regulations and which still is in court before that court. This, however, will not affect the Contracting Parties entering into direct and constructive negotiations.

## **Article 10. Staff Entry and Stay**

A Contracting Party shall permit the natural persons of the other Contracting Party and other persons appointed or contracted by investors of the other Contracting Party to enter and remain in its territory to engage in investment-related activities in accordance with its applicable laws From time to time as far as the entry and permanence of non-citizens is concerned.

## **Article 11. Applicable Laws**

1. Except as otherwise provided in this Agreement, all investments shall be governed by the laws in force in the territory of the Contracting Party in which such investments are made.
2. Notwithstanding paragraph (1) of this Article, nothing in this Convention shall prevent the host Contracting Party from taking action to protect its essential security interests or public order or morality affecting public order Or in circumstances of extreme emergency, in accordance with its normal and reasonably applied non-discriminatory laws.

## **Article 12. Application of Your Regulations**

This Convention shall not derogate:

1. Laws and regulations, administrative practices and procedures,  
Or administrative and judicial decisions of either Contracting Party;
2. Obligations under International Law; neither
3. Obligations assumed by any of the Contracting Parties, including those contained in an investment agreement or investment authorization.

Where the latter grants more favorable treatment than that offered by this Convention in similar situations.

## **Article 13. Amendment**

Provisions in this Agreement or any of the Articles may be amended by written agreement between the Contracting Parties. Any amendment shall enter into force in accordance with the provisions of Article 14.

## **Article 14. Entry Into Force**

This Convention shall enter into force on the date on which the last written notification is received by the Contracting Parties confirming the completion of their respective internal procedures, which is required for the entry into force of this Agreement.

## **Article 15. Duration and Termination**

1. This Agreement shall remain in force for a period of ten years and shall thereafter be deemed to have been automatically extended unless one of the Contracting Parties notifies the other Contracting Party in writing of its intention to terminate the Agreement. It will be terminated one year after receipt of said written notice.
2. Subject to termination of this Agreement under paragraph (1) of this Article, the Agreement shall continue to be effective for an additional period of ten years from the date of termination, with respect to investments made or acquired Before the date of termination of this Agreement.

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

Done at Doha, on 1 March 2010, in two originals, each in the Spanish, Arabic and English languages, all texts being equally authentic. In case of difference of interpretation, the English text will prevail.

Project 153 of 2010 approved in third debate in the Palace Justo Arosemena, city of Panama, on the first of September of the year two thousand and ten.

The Secretary General, Wigberto E. Quintero G.

The president in charge, Manuel Cohen Salerno

NATIONAL EXECUTIVE BODY. PRESIDENCY OF THE REPUBLIC. PANAMA, REPUBLIC OF PANAMA, 29 DECEMBER 2010.

RICARDO MARTINELLI BERROCAL

Republic President

JUAN CARLOS VARELA R.

Vice-President and Minister for Foreign Affairs