AGREEMENT BETWEEN THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Arab Republic of Egypt and the Government of the Syrian Arab Republic, hereinafter referred to as the "Contracting Parties",

Desiring to expand and deepen their economic cooperation for the benefit of both countries and in particular in creating favorable conditions for investments of investors of either Contracting Party in the territory of the other Contracting Party,

Recognizing the need for the protection of investments of investors of both Contracting Parties, and for the stimulation of investment flows and individual initiatives in business for the purpose of fostering the prosperity of both Contracting Parties.

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement:

1. The term "investments" means all kinds of assets owned by an investor of a Contracting Party invested in the territory of the other Contracting Party following the entrance into force of this agreement, provided that the host party accepts it as an ‘investment' in accordance with its laws and regulations.

2. The term "investment" shall include in particular though not exclusively:

a. Movable and immovable funds and any of its related guarantees such as mortgages, liens, and other mortgages.

b. Industrial and intellectual property rights, including copyrights, patents, trademarks, trade names, industrial designs, trade secrets, technical manufacturing processes, craft knowledge, and goodwill used in a licensed investment project.

c. Company shares, bonds, securities, and ownership stock allowed to be traded in accordance with the laws and regulations observed in both countries.

3. The term "investor" means:

a. Natural persons possessing the nationality of one of the Contracting Parties in accordance with its laws, and who engage in investment activities in the territory of the other Contracting Party in accordance with its applicable laws and regulations.

b. Legal persons (entities and units recognized as such) in accordance with the laws of the Contracting Party, such as companies and public, private and joint institutions who engage in investment activities in the other Contracting Party.

4. The term "returns" means the net amounts yielded by an investment in accordance with the laws of the host country, including particularly though not exclusively profits and dividends.

5. The term "territory" means:

a. For the Arab Republic of Egypt: land located within its international borders, internal waters, regional sea, continental shelf and the special economic zone subject to its sovereignty or regional jurisdiction in accordance with the provisions of international law.

b. For the Syrian Arab Republic: its land, including the regional sea, mainland, underground and below, the airspace above and all other areas outside the territorial waters on which it exercises the right of sovereignty in accordance with international rights, for the purpose of extraction and investment of natural, biological and mineral resources, and all other

rights that exist in the water and under the seabed.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Party to investment capital in its territory, and shall admit such investments in accordance with its laws, regulations and national policies.

2. Each Contracting Party shall grant the necessary facilities and permits for the entrance, exit, residence and work of the investor and persons whose work is permanently or temporarily connected to the investment such as experts, administrative and technical staff and workers in accordance with the applicable laws and regulations of the host country.

3. Each Contracting Party commits to providing fair and equitable treatment to investments of investors of the other Contracting Party. They also commit that the management, maintenance, use, transfer, enjoyment or assignment of the investment made by investors of the other Contracting Party in its territory, in addition to companies and projects in which the investments were made, shall not in any way be subject to discriminatory or legally unreasonable measures.

4. Investments and returns employed by natural or legal persons of the other Contracting Party shall enjoy facilities, incentives and other forms of encouragement, including exemptions from tax and other fees stipulated by the investment laws and regulations observed in the host country of the investment.

5. Each Contracting Party shall guarantee fair and equitable treatment to investments, established in accordance with its investment promotion laws and regulations, of investors of the other Contracting Party. Such treatment shall not be less favorable than treatment granted and applied to its own investors.

Article 3. Nationalization and Expropriation

1. Investments of investors of either Contracting Party shall not be subject, directly or indirectly, to expropriation, nationalization or any other measures having a similar effect in the territory of the other Contracting Party, except for a public interest, on a non-discriminatory basis and against the payment of fair compensation based on legal regulations and without unreasonable delay.

2. Fair compensation shall be based on the real market value immediately before the nationalization or expropriation measure was announced.

Article 4. Compensation

Investors of either Contracting Party who suffer losses to their investments in the territory of the other Contracting Party due to war, armed conflict, revolt, a state of national emergency or insurrection shall be accorded, with respect to restitution, compensation for losses or other forms of compensation, treatment which is no less favorable than that accorded to its own investors.

Article 5. Repatriation of Capital and Returns

Each Contracting Party shall permit the repatriation of capital and returns invested in its territory abroad, in the same currency it was invested in or in any freely convertible currency, without delay, in accordance with the applicable investment laws and regulations, which includes for example:

1. Invested capital, including reinvested returns for the purpose of the maintenance or increase of the investment.

2. Profits, dividends, interest, or other due returns from any investment made by an investor of the other Contracting Party in accordance with its applicable investment laws.

3. Proceeds from the full or partial sale or liquidation of an investment made by investors of the other Contracting Party.

4. Repayment of loan installments and its interest obtained with the knowledge of the host country of the investment in foreign currencies from abroad, for the purpose of financing or expanding the investment.

5. Compensation provided for in Articles (3 & 4) of this agreement and payments obtained from disputes related to the project.

Article 6. Settlement of Disputes between the Investor and the Host Country

Disputes related to various aspects of the investment, its related activities and returns of a Contracting Party or its nationals shall be settled through conciliation, arbitration, the competent court in the host country of the investment, the Arab Investment Court established in accordance with Section 6 of the Unified Agreement for the Investment of Arab Capital in the Arab States and its annex approved by the Arab Economic and Social Council in its Resolution no. 841 dated 10/09/1980, or the Cairo Centre for International Commercial Arbitration.

Article 7. Committee to Pursue Implementation of the Agreement

In an effort to achieve the goals of this agreement, a joint committee shall be established at the ministerial level between both countries to promote and protect investments. The committee's responsibilities shall include:

1. Pursue the implementation of this agreement.

2. Examine ways and methods for the promotion of investment between the Contracting Parties.

3. Work on eliminating obstacles hindering the implementation of investments.

4. Examine ways and methods for the development and financing of joint projects in both countries.

5. Examine the proposed suggestions referred to it by the relevant bodies in both countries.

6. Adopt a conciliatory role in disputes related to investment activities and work towards settling them amicably.

The committee shall meet periodically on a yearly basis, and whenever necessary, in each country alternately.

Article 8. Dispute Settlement between the Contracting Parties

Any dispute between the Contracting Parties concerning the interpretation of the provisions of this agreement shall be settled through discussions between representatives of the Contracting Parties. If the dispute concerns the implementation of this agreement - and if it cannot be settled within twelve months from the beginning of the dispute- it may be referred to an arbitration tribunal of three members, based on the request of either Contracting Party.

Each Contracting Party shall appoint an arbitrator, and these arbitrators shall appoint a chairman to the tribunal who shall be a national of a third country.

If either Contracting Party does not appoint an arbitrator and does not give consideration to the other Contracting Party's invitation to make the appointment within two months, the appointment shall be made based on a request submitted by that Contracting Party to the Secretary-General of the League of Arab States.

If both arbitrators fail to agree on a chairman to the tribunal within two months after they were appointed, the appointment shall be made based on a request submitted by either Contracting Party to the Secretary-General of the League of Arab States.

Subject to other provisions agreed upon between the Contracting Parties, the tribunal shall determine its legal procedures.

Each Contracting Party shall bear the cost of its appointed arbitrator and the representation costs in the arbitral hearings. The cost of the chairman and the remaining costs shall be borne in equal parts by the Contracting Parties.

The tribunal's decisions shall be final and binding on each Contracting Party.

Article 9. Entry Into Force

This Agreement shall enter into force (30) days from the date of the last notification of completion of the ratification procedures by the Contracting Parties.

Article 10. Duration and Termination

This Agreement shall remain in force for a period of ten years, and shall be automatically renewed for similar periods, unless either Contracting Party notifies the other Contracting Party in writing of its intention to terminate it a year before its expiration. Investments made before the end of this agreement shall remain subject to it for a period of ten years from the date of its termination.

In witness whereof the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement

Done on Wednesday 21 Muharam 1417 H, corresponding to 28 May 1997 in two originals in Arabic, all texts being equally authentic.

FOR THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

Dr. Nawal Abdulmonim Al Tatawi

Minister of Economy and International Cooperation

FOR THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC

Dr. Mohamed Al Omadi

Minister of Economy and Foreign Trade