

**AGREEMENT BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE**

**AND**

**THE GOVERNMENT OF THE SULTANATE OF OMAN**

**ON**

**THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS**

The Government of the Republic of Singapore and the Government of the Sultanate of Oman (each hereinafter referred to as a "Contracting Party") and jointly as "Contracting Parties";

DESIRING to expand and strengthen the existing economic cooperation between both countries for their mutual benefits and create favourable conditions to increase investments by investors of one State in the territory of the other State;

RECOGNISING that the promotion and reciprocal protection of investments would be conducive to the stimulation of business initiatives and transfer of capital and technology between the two countries in the interest of their economic development;

HAVE AGREED AS FOLLOWS:

### **Article 1. Definitions**

For the purposes of this Agreement, unless the context otherwise requires, the following words shall have the meanings assigned to them below:

1. The term "investment" means every kind of asset effected as an investment in accordance with the laws and regulations of the Contracting Party which accepts an investment in its territory and includes in particular though not exclusively:

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

(b) shares, stocks, debentures or other securities and any other forms of participation in companies;

(c) titles to money and claims to a legal performance under contract having an economic value;

(d) intellectual property rights, in particular, copyrights, industrial property rights (such as patents, industrial designs, trade marks and trade names), and trade secrets; technical processes, knowhow and goodwill; and

(e) concessions and licenses conferred by law or under contract, including concessions to search for, extract, exploit or cultivate natural resources.

Any alteration of the form in which assets are invested or reinvested shall not affect their character as investments provided that such alteration is not

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In conflict with the legislation of the Contracting Party in the territory of which the investment is made and is in accordance with Article 2 of this Agreement.

2. The term "returns" means all monetary amounts yielded by an investment or reinvestment, and includes in particular though not exclusively profits, interests, capital gains, dividends, royalties and fees.

3. The term "investor" means:

(a) any natural person having the nationality of one of the States in accordance with its laws; and

(b) any entity incorporated, constituted or established, and having substantive business operations in the territory of one State in accordance with the laws of that State.

4. The term "territory" means with respect to the Republic of Singapore, on one hand, and the Sultanate of Oman on the other, the land, territorial waters, as well as the exclusive economic zone and the continental shelf over which the respective State exercises sovereign rights or jurisdiction, in conformity with its domestic law and international law.

5. The term "freely usable currency" means as it is determined by the International Monetary Fund under its Articles of Agreement and any amendments thereto.

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## **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 Sultanate of Oman, which are specifically approved in writing by the Singapore Economic Development Board (EDB) or other competent authority designated by the Government of the Republic of Singapore, which shall be notified to the other Contracting Party, and upon such conditions, if any, as it shall deem fit.

(b) in respect of investments in the territory of the Sultanate of Oman, to all investments made by investors of the Republic of Singapore which are admitted in accordance with its legislation by its Ministry of Commerce and Industry or other competent authority designated by the Government of the Sultanate of Oman, which shall be notified to the other Contracting Party;

2. The provisions of the foregoing paragraph shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement, but shall not apply to any dispute concerning an investment which arose, or any claim which was settled, before its entry into force.

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

1. Each Contracting Party shall promote and create favourable conditions for the investors of the other Contracting Party to invest capital in its territory.

2. Each Contracting Party shall apply its applicable laws and regulations to the investor and those whose work relates to the investment.

## **Article 4. Treatment of Investments**

1. Investments approved or admitted under Article 2 and returns of investors of either Contracting Party shall be accorded fair and equitable treatment and enjoy full protection and security in the territory of the other Contracting Party.

2. Each Contracting Party shall in its territory subject investments approved or admitted under Article 2 or returns from such investments of investors of the other Contracting Party to treatment:

(a) which it accords to investments or returns from investments of investors of any other State, or,

(i) in relation to investments in the Republic of Singapore, in

accordance with its laws and regulations, that which it accords to investments or returns from investments of its own investors,

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(ii) in relation to investments in the Sultanate of Oman, subject to paragraph (3) of this Article, that which it accords to investments or returns from investments of its own investors,

Whichever is more favourable to the investor.

3. The provisions of paragraph (2) of this Article shall not oblige the Sultanate of Oman to accord investors of the other Contracting Party the same treatment that it accords to its own investors with regard to ownership of lands and real estate and provision of grants and soft loans.

4. Each Contracting Party shall in its territory accord to investors of the other Contracting Party treatment no less favourable than that which it accords in paragraph (2) of this Article with respect to the management and disposal of their investments.

5. The provisions of paragraphs (2) and (4) 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 benefits of any treatment, preference or privilege resulting from any existing or future customs union, free trade area, free trade arrangement, common market, 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, area or arrangement; or, with respect to the Republic of Singapore, any Investment Guarantee Agreement entered into prior to 1991.

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

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## **Article 5. Nationalisation and Expropriation**

1. Investments of investors of either Contracting Party shall not be nationalised, expropriated or subjected to any measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory 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.

2. Such compensation, shall, subject to the laws of each Contracting Party, be the market value immediately before the expropriation is formally notified. The compensation shall be made in freely convertible currency and be freely transferable in accordance with Article 7. Where the market value cannot be readily ascertained, the compensation shall be determined in accordance with the generally recognised principles of valuation.

3. The compensation shall carry interest from the date of expropriation until the time of payment at a rate no less than the prevailing LIBOR rate.

4. The legality of any such expropriation and the amount of compensation may, at the request of the investors affected, be reviewed by a judicial or other legal independent authority of the host Contracting Party for the investment taking the measures, in the manner prescribed by its laws.

5. 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 and 2 of this Article are applied to the extent necessary to guarantee compensation as specified therein to such investors of the other Contracting Party.

## **Article 6. Compensation for Losses**

1. Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, revolution, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, if any, no less favourable than that which the latter Contracting Party accords to investors of any third State or to its own investors, whichever is more favourable to the investor concerned. Any resulting compensation shall be made in freely convertible currency and be freely transferable in accordance with Article 7.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party whose investments suffer losses in the territory of the other Contracting Party resulting from:

(a) requisitioning of their property by the forces or authorities of the latter Contracting Party, or

(b) destruction of their property, by the forces or authorities of the latter Contracting party, which was not caused in combat action or was not required by the necessity of the situation,

Shall be accorded such compensation as may be prescribed by the laws of the latter Contracting Party.

## **Article 7. Transfers**

1. Each Contracting Party, on the territory of which the investment has been

Made by investors of the other Contracting Party, shall guarantee to these

Investors the free transfer, on a non-discriminatory basis, in particular of the

Following, though not exclusively:

(a) returns:

(b) proceeds from the total or partial sale and /or liquidation of any

Investment by an investor of the other Contracting Party,

(c) funds in repayment of loans related to investment;

(d) license fees in relation to the matters in Article 1(1)(d);

(e) wages, remunerations and accruals of nationals of the other

Contracting Party and nationals of any other third state who are allowed to work in connection with an investment;

(f) earnings of investors of the other Contracting Party who work in connection with an investment in the territory of the former Contracting Party;

(g) compensation paid pursuant to Articles 5 and 6;

(h) payments in respect of technical assistance, technical service and management fees;

(i) payments in connection with contracting projects;

(j) capital amounts used to maintain, increase or expand existing investments and any other amounts appropriated for the coverage of expenses connected with the management of the investments.

2. Subject to paragraph (3) of this Article, all transfers shall be made without delay or any restriction, in a freely usable currency, at the market rate of exchange applicable on the date of transfer.

3. Notwithstanding paragraph (1)(b) of this Article, a Party may delay or prevent a transfer through the equitable, non-discriminatory and good faith application of its laws and regulations relating to financial obligations in connection with insolvency; dealing in securities, futures, options or derivatives; criminal offences; law enforcement; adjudicatory proceedings and satisfaction of judgements; and, social security, public retirement or compulsory savings schemes.

## **Article 8. Subrogation**

1. In the event that either Contracting Party (or any agency, institution, statutory body or corporation designated by it) as a result of an indemnity it has given in respect of an investment or any part thereof makes payment to its own investors in respect of any of their claims under this Agreement, the other Contracting Party acknowledges that the former Contracting Party (or any agency, institution, statutory body or corporation designated by it) is

Entitled by virtue of subrogation to exercise the rights and assert the claims of its own investors. The subrogated rights or claims shall not be greater than the original rights or claims of the said investor.

2. Any payment made by one Contracting Party (or any agency, institution, statutory body or corporation designated by it) to its investors shall not affect the right of such investors to make their claims against the other Contracting Party in

accordance with Article 9.

## **Article 9. Settlement of Disputes between an Investor and a 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 a 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 four 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:

(a) The competent court of the Contracting Party in whose territory the investment has been made; or

(b) International arbitration under:

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i. 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 for signature at Washington on 18 March, 1965 (called "the Convention" in this Agreement). For this purpose, each Contracting Party hereby irrevocably consents in advance under Article 25 of the Convention to submit any dispute to the Centre; or

ii. The rules of arbitration of the United Nations Commission on International Trade Law (UNCITRAL); or

iii. The rules of arbitration of the International Chamber of Commerce (ICC).

In the event that the investor and the Contracting Party each choose a different body for the settlement, the choice of the investor shall prevail.

3. A dispute shall be submitted to only one forum. The judgment of the court or tribunal shall be final and the parties shall abide by and comply with the judgment or award. Each Contracting Party shall execute the award in accordance with the procedures in its domestic laws.

## **Article 10. Settlement of Disputes between the Contracting Parties**

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled by negotiation through diplomatic channels or otherwise.

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2. If any dispute cannot be thus settled, it shall upon the request of either Contracting Party be submitted to arbitration. The arbitral tribunal (hereinafter called "the tribunal") shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be Chairman of the tribunal, appointed by agreement of the Contracting Parties.

3. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.

4. If the tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a national of either Contracting Party or if he is unable to do so, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Party or if he is unable to do so, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make the necessary appointments, and so on.

5. In deciding a dispute, the tribunal shall take into account the provisions of this Agreement and the principles of international law.

6. The tribunal shall reach its decisions by a majority of votes and these decisions shall be final and legally binding upon the Contracting Parties who shall comply with the terms of its award. Each Contracting Party shall bear the cost of its own member and of its representation in the arbitration proceedings; the cost of the Chairman shall be borne in equal shares by

Both Contracting Parties. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Parties, and this award shall be binding on both Parties. The tribunal shall interpret its decisions at the request of either Contracting Party.

7. Apart from the above the tribunal shall establish its own rules of procedure.

## **Article 11. Other Obligations**

1. If the legislation of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties in addition to this Agreement, result in a position entitling investments by investors of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such position shall not be affected by this Agreement.

2. Investments having formed the subject of a special commitment of one Contracting Party, with respect to the investors of the other Contracting Party, shall be governed, without prejudice to the provisions of this Agreement, by the terms of the said commitment if the latter includes provisions more favourable than those of this Agreement.

## **Article 12. Entry Into Force, Duration and Termination**

1. Each Contracting Party shall notify the other Contracting Party through diplomatic channels of the fulfilment of its internal legal procedures required for the bringing into force of this Agreement. This Agreement shall enter into

t. Force on the thirtieth day from the date of notification of the later Contracting Party.

2. This Agreement shall remain in force for a period of twenty years and shall continue in force thereafter unless, after the expiry of the initial period of nineteen years, either Contracting Party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after it has been received by the other Contracting Party.

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 11 shall remain in force for a further period of twenty years from that date.

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

Done in duplicate at..... on this 4ri..... day of..... 1428 H, corresponding

To day of..... 2007, in the Arabic and English languages, both texts being

Equally authentic. In case of divergence in interpretation the English text shall prevail.

For the Government of The Republic of Singapore

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For the Government of The Sultanate of Oman

Lim Hng Kiang

Minister of Trade and Industry

Maqbool bin Ali Sultan Minister of Commerce and Industry

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