

# **Agreement between the Government of the Republic of Lebanon and the Government of the Arab Republic of Egypt on the reciprocal promotion and protection of investments**

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

Desiring to strengthen economic cooperation in what is mutually beneficial for both countries,

Determined to create and maintain favorable conditions for investment by investors of one of the Contracting Parties in the territories of the other Contracting Party,

Aware of the need to revitalize and protect foreign investment with a view to promoting economic prosperity in both countries,

Have agreed on the following:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. The term "Investor" means with respect any of the Contracting Parties:

- a. Natural persons who, in accordance with the law of that Contracting Party, are its nationals.
- b. Legal persons, including companies, bodies, business enterprises, and other institutions duly established or established under the laws of that Contracting Party and whose headquarters are located, and have actual economic activities, in the territory of the same Contracting Party.

Despite the provisions of this subparagraph, this agreement applies to holding companies or foreign companies (offshore) registered in any of the Contracting Parties.

2. The term "investment" includes any type of asset, and includes but it is not limited to:

- a. Movable and immovable property, as well as any other rights in rem such mortgages, liens and others.
- b. Share, stocks, or any other type of participation in companies.
- c. Rights to claim money or any rights to services having economic value.
- d. Intellectual property rights, such as copyrights, patents, designs or industrial models, trademarks or service marks, distinctive marks, technologies and goodwill of a trade name, as well as other similar rights recognized by the laws of the Contracting Parties.
- e. Concessions granted under public law, including concessions for the exploration, extraction, or investment of natural resources, as well as all other rights that are conferred under the law, or under a contract, or according to the authority's decision according to the law.

Any change in the form of the assets in which they are invested or reinvested should not affect its characteristic as an investment.

3. The term "returns" means the amounts that the investment yields and it includes, in particular, but not exclusively, profits, stock dividends, interest, capital gains, rent, and fees for administrative work, technical assistance, or other fees, regardless of the form in which the return is paid.

4. The term "territory " means the lands of the two Contracting Parties, including the special economic zone over which the state concerned, in accordance with international law, has sovereignty, sovereignty rights and legal jurisdiction.

## **Article 2. Admission and Establishment of Investments**

1. Each Contracting Party shall admit in its territories, as far as possible, the investment by investors from the other Contracting Party and accept such investments in accordance with its laws and regulations.

2. When a Contracting Party has accepted an investment in its territory, it must, in accordance with its laws and regulations, grant the necessary licenses related to that investment, including permissions for the use of senior administrative and technical personnel of their choice, regardless of nationality.

## **Article 3. Investment Protection and Treatment**

1. Each Contracting Party shall protect within the territory its investments in accordance with its laws and regulations by investors of the other Contracting Party and not to hinder, through illegal or discriminatory procedures, the management, continuation, use, or exercise of the right to those investments, or its extension, sale or liquidation. In particular, each Contracting Party or its competent authorities must issue the necessary permissions mentioned in paragraph (2) of Article (2) of this agreement.

2. Each Contracting Party shall guarantee a fair and equitable treatment within its territory to the investments of the investors of the other Contracting Party. This treatment should not be less favorable than that granted by each Contracting Party to the investments invested in its territory by its own investors, or to that which each Contracting Party grants to the investments invested within its territories by investors from any third country, if the said treatment is more favourable.

3. The most-favoured-nation treatment should not be construed so as to oblige a Contracting Party to grant investors and investments from the other Contracting party advantages resulting from any existing customs or economic union or that may be established in the future, or from a free trade area or regional economic institution to which a Contracting Party is or may become a member thereof. This treatment shall not relate to any advantage given by either of the Contracting Parties to investors from a third country under an agreement on double taxation or other agreements on tax matters on a mutual basis.

## **Article 4. Free Transfer**

1. Each Contracting Party that has in its territory investments invested by investors from the other Contracting Party shall grant those investors free transfer of payments related to these investments, especially for the following:

- a. The returns are in accordance with Paragraph 3 of Article 1 of this Agreement.
- b. The amounts related to loans incurred, or other payment obligations assumed for investment.
- c. The accumulated proceeds from the total or partial sale of an investment or from the transfer of its ownership.

2. Unless be agreed with the investor otherwise, the transfers must be made under the laws and regulations of the Contracting Party in which territory the investment is located at the banking exchange rate in effect at the date of the transfer.

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

1. Neither Contracting Party should take direct or indirect measures to expropriate or nationalize, or take any other measures of the same or similar effect regarding the investments of investors of the other Contracting Party, unless such measures are taken in the public interest as established by law, on a non-discriminatory basis, and in accordance with due process of law, and provided arrangements are made to pay effective and appropriate compensation. The amount of compensation and interest covered in a convertible currency must be pay immediately without delay to the investor who is entitled to it, and the resulting payments should be freely and immediately transferable.

2. The investors of any Contracting Party whose investment has suffered losses due to war or any other armed conflict or revolution, or an emergency or civil disobedience in the territory of the other Contracting Party should benefit, from the part of the latter party, of a treatment granted to them in accordance with the paragraph (2) from Article (3) of this Agreement. In all cases, they are entitled to adequate compensation.

## **Article 6. Prior Investments to this Agreement**

This current agreement also applies to investments made in the territory of a contracting party in accordance with its laws and regulations by investors of the other contracting party before the entry into force of this agreement. However, this agreement does not apply to disputes that may have arisen before it entered into force.

## **Article 7. Other Obligations**

1. If the legislation of either Contracting Party gives investments by investors from the other Contracting Party the right to a more favorable treatment than provided for in in this Agreement, that treatment shall apply to the extent that is more favourable.
2. Each Contracting Party shall take into account any other commitment it has taken on in connection with investments made in its territory by investors from the other Contracting Party.

## **Article 8. Principle of Subrogation**

If either of the Contracting Parties or its designated agency pays an amount to one of his investors under any financial guarantee against non-commercial risks that it has granted in connection with an investment in the territory of the other Contracting Party, the aforementioned contracting party must finally recognize, based on the principle of substitution of the investor, the assignment of any ownership right by the investor to the aforementioned Contracting Party or its designated agency. The aforementioned Contracting Party has the right to set-off taxes and other public expenses due and payable by the investor.

## **Article 9. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party**

1. For the purpose of resolving investment disputes between a Contracting Party and an investor of the other Contracting Party, consultations should take place between the parties concerned with a view to settling the issue as amicably as possible.
2. If the consultations do not lead to a solution within six months from the date of the settlement request, the investor may file for the settlement of the dispute, upon his choice, to:
  - a. The competent court of the Contracting Party, in which territory the investment is invested, or;
  - b. The International Centre for Settlement of Investment Disputes, in accordance with the Convention On The Settlement Of Investment Disputes Between States And Nationals Of Other States, opened for signature on Washington D.C. on March 18, 1965, in case the two Contracting Parties are both members of this Convention, or;
  - c. The Cairo Regional Center for International Commercial Arbitration; or
  - d. An ad hoc arbitral tribunal established for this purpose, according to the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL), unless otherwise agreed by the parties to the dispute.
3. The dispute will be decided according to the following rules:
  - The provisions of this Agreement,
  - The internal law of the host country of the investment provided that the provisions of this Agreement are applied in case they conflict with the provisions of the internal law of the host country,
  - The general rules of international law.
4. The decision issued shall be final and binding on the parties to the conflict, and each Contracting Party undertakes to implement it in accordance with the provisions of its internal law.
5. The Contracting Party that is a party to the dispute must not use as an argument for its defense, at any time during the legal proceedings to settle the dispute, its immunity or the fact that the investor has received compensation under an insurance contract that covers damages or losses incurred in whole or in part.

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

1. The differences between the Contracting Parties on the interpretation or application of the provisions of this Agreement must be resolved through diplomatic channels.
2. If both Contracting Parties cannot reach an agreement within twelve months after the start of the dispute, upon the request of either of the Contracting Parties, the dispute between shall be submitted to an arbitral tribunal consisting of three members. Each Contracting Party shall appoint one, and these arbitrators must appoint a president for the arbitral tribunal who is a citizen of a third country.
3. If one of the Contracting Parties did not appoint its arbitrator and it did not consider the invitation of the other Contracting Party to make that appointment within two months, that arbitrator must be appointed, at the request of that Contracting Party, by the President of the International Court of Justice.
4. If both arbitrators cannot reach an agreement regarding the selection of the president of the arbitral tribunal within two months after their appointment, that president must be appointed, upon the request of either of the Contracting Parties, by the President of the International Court of Justice.
5. If, in the two cases mentioned in paragraphs (3) and (4) of this article, the President of the International Court of Justice is prevented from completing the said mission or if he is a national of either Contracting Party, that appointment must be made by the Vice-President of the International Court of Justice and if the latter is prevented to perform that task or if he is a national of either of the Contracting Parties, that appointment shall be made by the judge of the court next in seniority who is not a national of any of the Contracting Parties.
6. Subject to the other provisions agreed upon by the two Contracting Parties, the arbitral tribunal shall decide its legal procedures.
7. The expenses of the appointed arbitrator and the expenses of its representation in the hearings shall be borne each Contracting Party. The Chairman's costs and the other remaining costs of the arbitral tribunal shall be bear evenly.
8. The decisions of the tribunal are final and binding for each Contracting Party.

## **Article 11. Final Provisions**

1. This Agreement shall enter into force thirty days from the date on each of the Contracting Parties informs to the other, that their their legal procedures for the entry into force of this Agreement have been fulfilled. This Agreement is valid for an initial period of ten years. Unless formal notice of its termination is given six months before the end of this period, this Agreement shall be deemed renewed under the terms of ten years. The same apply for other periods.
2. In the event that an official notice is given to terminate this current agreement, the provisions of Articles 1 to 10 will remain in effect for a further period of ten years with respect to the investments made before the official notification is given.

In witness whereof this, the undersigned, duly authorized by their respective governments, have signed this Agreement.

Made in two authentic copies, both in the Arabic language.

For the Government of the Republic of Lebanon

For the Government of the Arab Republic of Egypt