

CONVENTION BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC ON RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Syrian Arab Republic,

Desiring to enhance economic cooperation between the two States and create favourable conditions for French investments in the Syrian Arab Republic, and Syrians investments in France,

Convinced that the promotion and protection of such investments will be conducive to the stimulation of capital and technology transfer between the two countries in the interest of their economic development,

Have agreed as follows:

Article 1.

For the purposes of this Convention:

1. The term "investment" means assets, rights and interests of any kind and particularly but not limited to:

- a) Movable and immovable property as well as any other rights in rem such as mortgages, liens, usufruits, deposits and similar rights;
- b) Shares, premiums on shares and other forms of participation, even minority or indirect forms, in the companies formed in the territory of one of the Parties;
- c) Debentures, titles to money and titles to any performance having an economic value;
- d) Copyrights, industrial property rights, technical processes, trade names and goodwill;
- e) Concessions granted by law or under contract, including concessions to search for, culture, extract or exploit natural resources including those situated in adjacent maritime areas in which the contracting parties exercise sovereign rights,

Provided that such assets must have been invested in accordance with the law of the Contracting Party in whose territory the investment is made after the entry into force of this Convention.

Any alteration of the form in which assets are invested shall not affect their classification as investment, provided that such change is not contrary to the legislation of the State in whose territory the investment is made or to the approval granted to the initial investment.

2. The term "National" means natural persons having the nationality of one of the Contracting Parties.

3. The term "companies" means any legal entity constituted in the territory of one of the Contracting Parties in conformity with the legislation of the latter and having its registered office therein.

Article 2.

Each Contracting Party shall promote investments made in its territory by nationals and companies of the other party. Such investments shall be carried out by virtue of prior authorizations. Each Party agrees that such investments shall be in accordance with its rules and regulations.

Article 3.

Each Contracting Party undertakes to provide in its territory fair and equitable treatment in accordance with the principles of international law, to investments of nationals and companies of the other party and to ensure the enjoyment of the right thus recognized is hampered in either law or in fact.

This treatment shall be at least equal to that granted by each Contracting Party to nationals or companies of the most favoured nation.

Article 4.

Nationals and companies of one of the Contracting Parties shall benefit, for the exercise of professional and economic activities connected with investments made in the territory of the other Party, from the national treatment, that is to say, from the national legislation, its ordinances and regulations, or from the most-favoured-nation system if the latter is more advantageous.

Nothing in this Convention shall prevent a Party from taking any action which it considers necessary to prevent the disclosure of information contrary to its essential security interests. These measures shall be applied fairly and in good faith and in accordance with the principle of the most-favoured-nation clause mentioned in this Convention.

Article 5.

The Contracting Parties shall not take any measures of expropriation or nationalization or any other measures the effect of which is, directly or indirectly dispossessing nationals and companies of the other Contracting Party of their investments in its territory, except for a public purpose and provided that such measures are not discriminatory, that they comply with the legal requirements and that they are not contrary to a particular undertaking.

The dispossession measures that might be taken shall be subject to the payment of just compensation which shall correspond to the real value of the investment at the time of dispossession.

This compensation and the methods of payment will be set at the latest from the date of dispossession, must be effectively realizable. It shall be paid without delay and freely transferable.

Article 6.

Each Contracting Party in whose territory investments have been made by nationals or companies of the other Contracting Party shall accord to such nationals or companies the free transfer of:

- a) Income;
- b) Royalties arising out of intangible rights referred to in article 1 (1) above;
- c) Payments made for the reimbursement of loans contracted regularly;
- d) The proceeds of the sale of or the partial or total liquidation of the investment including capital gains or increases in the capital invested;
- e) Compensation of dispossession provided for in article 5 above.

The nationals of either Contracting Party who have been authorised to work in connection with an investment approved in the territory of the other Contracting Party shall also be authorised to transfer their country of origin in a proportion which does not exceed 50% of the remuneration.

Capital inflows and transfers referred to in the preceding paragraphs shall be effected without delay and at the rate of exchange applicable on the date of transfer. the exchange rate applicable to the Operation is normally applied by authorized banks of each of the Contracting Parties.

Article 7.

If the legislation of either Contracting Party provides a guarantee for investments abroad, the latter may be granted within the framework of a case-by-case review, to investments in the territory of the other party, by nationals or companies of that Party.

Investments of nationals and companies of one Contracting Party in the territory of the other party may request the Security

referred to in the preceding paragraph only if they have previously obtained accreditation of that other party.

Article 8.

Each Contracting Party agrees to submit to the International Centre for Settlement of Investment Disputes (ICSID) or, if recourse to ICSID proves impossible by law, to the International Chamber of Commerce, any dispute which may arise between it and a national or corporation of the other Contracting Party.

Article 9.

If one of the Contracting Parties, by virtue of a guarantee given in respect of an investment made in the territory of the other party makes its payment to one of its nationals or companies, it is thereby entered into the rights and claims of the national or company. The rights of subrogation shall also apply to the transfer of rights and to arbitration referred to in articles 6 and 8 above.

Article 10.

Investments in respect of a particular undertaking of one of the Contracting Parties with respect to nationals and companies of the other party shall be governed, without prejudice to the provisions of this Convention, by the terms of that commitment, insofar as it would include provisions more favourable than those provided for by this Convention.

Article 11.

The most-favoured-nation treatment provided for in articles 3 and 4 of this Agreement shall not apply to privileges granted by either Contracting Party by virtue of its participation in a customs union or association, a common market or a free trade area or any other similar regional Economic Association to nationals and companies of any third State.

Article 12.

1. Disputes concerning the interpretation or application of the provisions of this Agreement shall be settled through diplomatic channels.
2. If both Contracting Parties do not reach a settlement within six months, the dispute shall be submitted, at the request of either contracting party to an arbitral tribunal composed of three members. Each Contracting Party shall appoint an arbitrator within one month. the two arbitrators so nominated shall appoint a chairman who shall be a national of a third State.
3. If one of the Contracting Parties has not appointed its arbitrator and has not followed the invitation of the other contracting party to make such appointment within two months of the arbitrator shall be appointed, upon request by the latter Contracting Party by the President of the International Court of Justice.
4. If the two arbitrators cannot reach an agreement about the choice of the Chairman within two months after their appointment the latter shall be appointed upon the request of either Contracting Party by the President of the International Court of Justice.
5. If in the cases specified in paragraphs 3 and 4 of this article, the President of the International Court of Justice is prevented from exercising his mandate or if he is a national of either Contracting Party, the appointment shall be made by the Vice-President and if the latter is prevented or if he is a national of either Contracting Party, they shall be made by the most senior member of the Court who is not a national of either of the Contracting Parties.
6. Unless the contracting parties agree otherwise, the tribunal shall determine its own procedure. it shall reach its decisions by a majority of votes.
7. The decisions of the Tribunal are final and enforceable automatically to the contracting parties.

Article 13.

This Convention shall be approved in accordance with the constitutional procedures applicable for each of the two States; the exchange of instruments of ratification or approval shall take place as soon as possible.

This Agreement shall enter into force one month after the date on which the exchange of instruments of ratification or

approval.

This agreement is concluded for an initial period of ten years. It shall remain in force after the term unless one of the Contracting Parties denounces it in writing and through diplomatic channels with one year notice.

In the event of termination, this Agreement shall remain in force for a period of fifteen years for the investments made prior to the termination.

In WITNESS WHEREOF, the representatives of the two Governments, duly authorized thereto, have signed the present Agreement.

Done at Damascus, 28 November 1977, in two originals, one in French and one in Arabic, both texts being equally authentic.

For the Government of the French Republic:

Raymond Barre

For the Government of the Syrian Arab Republic

General Khleifaoui