

# **Agreement between the Government of the Lebanese Republic and the Government of the Syrian Arab Republic to encourage and protect investment**

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

Believing in the importance of promoting cooperation and integration between them, under the foundations laid down by the President Hafez Al-Asad, President of the Syrian Arab Republic, and President Elias Hrawi, President of the Lebanese Republic.

Proceeding in accordance with the provisions of the Treaty of Brotherhood, Cooperation and Coordination signed between them in 1991, and to implement the provisions of the Agreement on Economic and Social Cooperation signed between them in 1993, and

Building on the mutual desire to strengthen the investment activity in their countries by creating the investment climate needed for Syrian and Lebanese investors, in order to motivate them to the establishment and the establishment of investment projects that will support economic developments in both countries:

They agreed as follows:

## **Article 1.**

The foregoing is an integral part of this Agreement.

## **Article 2. Definitions**

For purposes of this Agreement:

1. The term "investor" in respect of either Contracting Party shall refer to:

A. Natural persons who hold the nationality of that Contracting Party and exercise the investment activity in the country of the other party, in accordance with the laws and regulations in force there.

B. Legal persons incorporated in the Contracting Parties and practicing the investment activity in the territory of the other party, including public and private companies and institutions in accordance with the laws and regulations in force therein.

2. The term "investments" includes all the funds actually invested, after the entry into force of this Agreement, by the nationals of one of the Contracting Parties in the territory of the other Contracting Party and in accordance with the laws and regulations encouraging investment in force, including for example:

a. Movable and immovable property;

b. Property rights in kind, such as mortgages, debt securities and other similar rights.

c. Shares, stocks and corporate bonds or bonds issued by one of the countries in accordance with the applicable laws and regulations in each of them.

d. Loans and deposits

e. Intellectual property rights, such as the rights of copyright, patents, industrial designs or models, trademarks, trade names and methods of production technology and technical expertise, and reputation, as well as other similar rights recognized by the laws of the contracting parties.

Any change in the form in which the assets are invested or reinvested must not affect its status as an investment.

3. The term "proceeds" means the amounts earned by the investment, including but are not limited to profits, dividends, or capital gains.

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

1. Investments and their returns by a natural or legal person in a country shall enjoy incentives and other forms of encouragement or benefits, including exemptions from the taxes and duties stipulated in the laws and regulations of the investment in the host country. The investment license instrument specifies for each of these investments the law or system to which it applies on them.

2. Investors in either Contracting State shall be allowed to appoint some employees and experts from third nationalities to the extent permitted by the laws of the host State. The two contracting countries shall provide all necessary facilities, including the issuance of residence permits for such experts personnel and their families in accordance with the laws and regulations of the host country.

3. Each Contracting Party shall ensure fair and equitable treatment within its territory for investments of Investors returning to the other Contracting Party, updated in accordance with applicable investment promotion laws and regulations, and must not be treated less favourable than those granted and applied to his nationals.

### **Article 4. Protection of Investments**

Neither Contracting Party shall prejudice the investments of the other Party and affect the management, operation, reinvestment, selling or liquidation of such investments through procedures in violation of applicable laws and regulations, in accordance with the following:

1. No investments of investors of one Contracting Party shall be directly or indirectly nationalized, expropriated or seized in the territory of the other Contracting Party, or may subject such investments of natural or legal entities to actions having the same effects nationalization, expropriation or limitation of the property of the investment and its revenues, unless it is for the public benefit and in the public interest of the country or in exchange of fair compensation on a non-discriminatory basis and in accordance with applicable laws and allowing its convertibility in accordance with Article 5 of this Agreement.

2. Subject to the provisions of Article 7 of this Agreement, the investor shall have the right to object to any of these measures and has the right to follow different legal and judicial procedures in force in the host country.

3. Compensation shall be calculated on the basis of the fair market value of the investment, prior to the direct announcement of a decision to expropriate the property, or as soon as expropriation has been disclosed to the public, or determined by its value in accordance with the principles of determination of conventional market value, and if market value cannot be determined, the amount of compensation is determined in accordance with the principles of fairness taking into account the capital investment, the depreciation of capital, reputation and other similar considerations.

4. The investors of any Contracting Party who have suffered losses in the territory of the other Contracting Party, due to war, armed conflict, revolution or civil emergency or disobedience, shall receive a treatment no less favorable than that the treatment accorded by the other Contracting Party to its national investors in respect of the recovery of their funds or compensation for damages or other damages, as well as they shall be permitted to transfer them abroad in accordance with the provisions of Article 5 of this Agreement.

### **Article 5. Transfer of Capital and Proceeds**

Each Contracting Party shall permit to the investors the transfer of the capital and the transfer of its revenues, to their territory abroad, in the same currency as the original investment or in any freely convertible currency.

Transfer shall be freely and without delay, in accordance with the investment laws and regulations effective at the date of commencement of the investment, or according to the applicable provisions when the conversion is better for the investor, including for example:

a. Profits or dividends of shares and interest or other proceeds due from any investment by an investor in the other Contracting country in accordance with the investment laws in force at the commencement date of the investment or in accordance with the laws in force at the time of transfer, whichever is better for the investor.

b. The money resulting from the total or partial liquidation of any investment made by an investor from a Party in the other

Contracting Party.

c. Payment of loan installments and interest received with the knowledge of the host country of the investment, in foreign currencies from abroad, to finance or expand investments.

## **Article 6. Settlement of Investment Disputes between the Investor and the Host State**

Disputes relating to different aspects of investments and activities related thereto shall be resolved by the Contracting Parties or their nationals through conciliation, arbitration or recourse to the Investment Court, in accordance with the provisions of Chapter 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 by its resolution 841 of 10/9/1980 at its twenty-ninth session held in Tunis.

The investor has the right to resort to the local courts in the following cases:

1. Lack of agreement of the parties to conciliate.
2. The conciliator was unable to issue his report within the specified period.
3. The parties have not agreed to accept the solutions proposed in the conciliator's report.
4. The parties do not agree to resort to arbitration.
5. Absence of a decision of the arbitral tribunal in the prescribed time for any reason

## **Article 7. Settlement of Disputes between the Contracting Parties**

The monitoring and coordination body provided for in the Treaty of Brotherhood and Cooperation shall coordinate the interpretation of the provisions of this Convention and the resolution of disputes arising from their application.

## **Article 8. Joint Committee**

In order to achieve the objectives of this agreement, a joint committee for the promotion and protection of investments shall be formed. This Committee shall be represented by the concerned authorities of the two Contracting Parties, having the following functions:

1. Monitor the implementation of the provisions of this Agreement and the consequent joint agreements and to discuss ways and means in which would encourage investment between them.
2. Work on removing the difficulties impeding the implementation of investments.
3. Research means to establish and finance joint projects in both contracting parties and promote them.
4. Studying the proposals referred to it by the concerned authorities in both countries.

This committee will meet once every six months and whenever necessary, in coordination and cooperation with General Secretariat of the Syrian - Lebanese Supreme Council

## **Article 9. Other Rules and Special Obligations**

The investments and the benefits provided for in Article 4 of this Agreement shall enjoy benefits under Unified Agreement for the Investment of Arab Capital in the Arab States, which both countries are Contracting Parties.

## **Article 10. Areas of Investment**

1. The nationals of both Contracting States shall be permitted to invest in the other Contracting State The various fields of investment available, particularly in the industrial, agricultural and health fields Tourism, transportation, etc. The investment project does not benefit from the protection stipulated in the This Agreement shall be subject to the approval of the competent authorities of the country of investment.

## **Article 11. General Provisions**

This agreement is considered a supplement of the Treaty of Brotherhood, Cooperation and Coordination, signed on May 22, 1991 between the Syrian Arab Republic and the Lebanese Republic.

## **Article 12. Effectiveness of the Agreement**

- a. This Agreement shall become effective from the date of the exchange of notes, which shall be authenticated by its ratification before the competent authorities of the respective constitutional systems of the Contracting States.
- b. This Agreement shall be valid for ten years from the date of its entry into force and shall be automatically renewed for similar periods unless one of the contracting parties informs the other party of his desire to cancel it before six months from the expiry date.
- c. The termination of the agreement shall not affect the investments made in accordance with its provisions until as their time of completion or liquidation.

This agreement was signed in Damascus in two original copies for each of the parties, both texts having the same force.

For the Government of the Syrian Arab Republic

For the Government of the Republic of Lebanon