

# **Agreement between the Government of the Republic of Yemen and the Government of the Republic of Lebanon on the promotion and protection of mutual investments**

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

Desiring to strengthen economic cooperation in the mutual benefit of both countries,

Determined to create and maintain favorable conditions for investment by investors of one Contracting Party in the territory of the other Contracting Party.

Recognizing that the encouragement of such investments based on either territory on the basis of the laws and regulations in force in both Contracting Parties and the provisions of this Agreement with a view to promoting the economic prosperity of both countries

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement

1. The term "Investor" in respect of either Contracting Party refers to:

- a. Natural persons who, according to the law of that Contracting Party, are deemed to be nationals of the Contracting Party and invest in the territory of the other Contracting Party.
- b. Legal persons including corporations, bodies, businesses and other establishments duly created or established under the laws of that Contracting Party which their headquarters located in the territory of that Contracting Party itself, and they invest in the territory of the other Contracting Party.

The provisions of this subparagraph apply to the holding companies or the offshore companies registered with either Contracting Party.

2. The term "investments" includes each type of asset (s), including but not limited to:

- a. Movable and immovable assets, as well as any other rights in kind, such as mortgages, reservation rights, and guarantees.
- b. Shares and stocks in companies and any other type of contribution in companies.
- c. Intellectual property rights such as copyrights, patents, industrial designs or models, trademarks or service marks, distinctive marks, technical processes, technical expertise, brand name, and other similar rights recognized by the laws of the Contracting Parties.
- d. Business privileges granted under applicable laws, including franchising for prospecting, extraction and investment of the natural resources, as well as all other rights conferred by law, or under a contract, or in accordance with a decision of the Authority in accordance with the law.

Any change in the form in which assets are invested or reinvested, it should not affect its description as an investment.

3. The term "proceeds" means the amounts of money resulted from the investment, including but not limited to profits, dividends, interest, capital gains, profits and receipts for administrative work, technical assistance or other fees, regardless of the form in which the return is paid.

4. The term "territory" means the territory of any Contracting Party falling under its sovereignty, including the islands, the

territorial sea, the exclusive economic zone as well as the continental shelf and other maritime areas that have sovereignty or jurisdiction rights on, in accordance with international law.

## **Article 2. Promoting and Protecting Investments**

1. Each Contracting Party shall, to the extent possible, encourage and accept investment by investors of the other Contracting Party in accordance with its laws and regulations.
2. Where a Contracting Party has accepted an investment to be created in its territory, it shall, in accordance with its laws and regulations, grant the necessary licenses relating to such investment, including permissions for the use of senior administrative and technical personnel upon their choice, irrespective of nationality.
3. Each Contracting Party should afford the possible protection of the created investments in accordance with its laws and regulations by investors of the other Contracting Party and shall not be prejudiced by unlawful or discriminatory actions to administer, continuity, use or exercise the rights; Extension or liquidation, or selling. In particular, each Contracting Party or its competent authorities shall issue the necessary permissions mentioned in paragraph (2) of this Article.

## **Article 3. Mfn Treatment**

1. Each Contracting Party shall ensure fair and equitable treatment within its territory of investments by investors of the other Contracting Party. Such treatment shall not be less favorable than that accorded by each Contracting Party to the investments made within its territory by its investors (the nationals) or any treatments given by any Contracting Party of investments employed within its territory for any third country, and "as a condition" just if that latter treatment is more favorable.

But this paragraph shall not apply to the treatment of any Contracting Party in respect of the investment of the Investor by the other Party in respect of the acquisition of real estate and other real estate rights.

2. The treatment of the MFN shall not be construed so as to require a Contracting Party to grant to investors and investments of the other Contracting Party the advantages resulting from any existing or future customs or economic union, free trade area or regional economic enterprise which, Or any Contracting Party may become a member thereof.

Such treatment shall not relate to any advantage accorded by either Contracting Party to investors from a third country under a double taxation agreement or other agreements on a reciprocal basis on matters of taxation.

## **Article 4. Expropriation and Compensation**

1. Neither Contracting Party should take directly or indirectly expropriation or nationalization proceedings or take any other measures of the same character or effect on the investments of the investors of the other Contracting Party, unless such actions are taken for the public utility As provided in law, and these actions should be on a non-discriminatory basis, and by legal means, and have to make arrangements for paying effective and appropriate compensation in accordance with the laws in force without any kind of discrimination.

Such compensation must be equivalent to the value of the expropriated investments immediately prior to the date on which the expropriation or the Nationalization or similar actions (whether the Actual or threatening) are known to the public. Such comprehensive compensation shall be paid without delay, and Can be actually achieved and freely convertible, and must have taken appropriate precautions "during or before" expropriation, nationalization or the similar procedure for the purpose of determining and paying such compensation.

The legitimacy of any expropriation, nationalization or the similar procedure and also the amount of compensation all of these are subject to review by legal means.

2. The provisions of paragraph (2) of this Article also applies where a Contracting Party expropriates the assets of a company established under the law in force in any part of its territory in which the investors of the other Contracting Party hold shares in this company.
3. The investors of any Contracting Party whose investments are incurred in the territory of the other Contracting Party due to war, other armed conflict, revolution, emergency or disobedience must be given treatment; with regard to the restitution or compensation for damages or indemnity or other valuable compensation must not be less favorable than that accorded by the last Contracting Party to its investors or to the investors of any third country, whichever is the more favorable, and such payments shall be freely convertible.

## **Article 5. Free Conversion**

1. Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party must grant such investors free transfer of payments in respect of their investments, including, but not limited to:
  - a. Proceeds in accordance with paragraph (3) of Article 1 of this Agreement.
  - b. Amounts relating to loans incurred or other contractual obligations pledged for investment.
  - c. Collected proceeds from the total or partial sale of an investment or from the transferring ownership or liquidation of the investment.
  - d. Gains and other compensation received by persons, in accordance with paragraph (2) of Article (2), who are authorized to work in an investment operating in the territory of any Contracting Party.
  - e. Capital and the additional amounts allocated for the continuation or the increase of investment.
  - f. Compensation paid under Article 4 of this Agreement.
  - g. The host contracting party must allow the investors of the other party to deal with the foreign exchange market in a non-discriminatory manner and allow them to purchase the foreign currency necessary for remittance under this article at the market exchange rate prevailing on the date of transfer.

## **Article 6. The Principle of Replacing the Investor**

1. If an investment by an investor of one of the Contracting Parties is insured or guaranteed for a non-commercial risks by an institution, within a system created under the law of that other Contracting Party, any replacing by the insurer or guarantor emanates from the terms of the insurance or security agreement should be cared by the other Contracting Party.
2. In accordance with the warranty granted to the investor, the insured or the guarantor will have the right to exercise all the rights that the investor would exercise if the insured did not replace him.
3. The insurer or guarantor will not have the right to exercise any right other than that which the investor has the right to exercise.

## **Article 7. Dispute Settlements between a Contracting Party and an Investor of the other Contracting Party**

1. For the purpose of resolving disputes concerning investments between a Contracting Party and an investor of the other Contracting Party, consultations between the parties concerned shall be conducted with a view to resolving the issue as amicably as possible.
2. If these consultations do not lead to a solution within six months from the date of the written request for settlement, the investor may raise the dispute for the settlement, based on a choice to:
  - a. The competent court of the Contracting Party that has employed the investment in its territory; or
  - b. The provisions of the Special Chapter in The unified agreement for the investment of Arab capital, in the Arab States, 1980, or
  - c. The International Center for the Settlement of Investment Disputes, in accordance with the provisions of the Agreement on the Settlement of Disputes between States and Nationals of Other States, which was opened for signature in Washington on March 18, 1965, in the event that both Contracting Parties become parties to this Agreement; or
  - d. An arbitral tribunal established for this purpose in accordance with the UNCITRAL Arbitration Rules unless otherwise agreed by the parties to the dispute.
3. The arbitral tribunal decides on the matter of dispute in accordance with the provisions of this Agreement and the rules and principles of international law in force. Arbitration decisions are final and binding on both parties. Each Contracting Party shall implement without delay any such decision.
4. The Contracting Party which is a party to the dispute shall at no time during the legal proceedings for settling the dispute over the investment to cling ( or argue) As a defensive argument based on its immunity or the fact that the investor has

received compensation under an insurance contract covering the damages or losses incurred wholly or partially.

## **Article 8. Dispute Settlements between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation or application of the provisions of this Agreement shall be settled through diplomatic channels.
2. If both Contracting Parties are unable to reach an agreement within six months of the commencement of the negotiations, the dispute shall, at the request of either Contracting Party be submitted to a three-member arbitral tribunal. Each Contracting Party has to appoint one arbitrator. The arbitrators should appoint a Chairman of the arbitral tribunal to be a national of a third country.
3. If any of the Contracting Parties fails to appoint its arbitrator and does not take into account the invitation of the other Contracting Party to carry out such an appointment within two months, such arbitrator should be appointed, at the request of that Contracting Party, by the President of the International Court of Justice.
4. If both Arbitrators are unable to reach an agreement on the selection of the Chairman of the Arbitral Tribunal within two months after their appointment, such President should be appointed, at the request of either Contracting Party, by the President of the International Court of Justice.
5. If, in the cases mentioned in paragraphs 3 and 4 of this article, the President of the International Court of Justice has prevented from the completion of the said task or if he is a national of either Contracting Party, such appointment should be made by the Vice-President of the International Court of Justice and if The latter has prevented from carrying out the said task or if he is a national of either Contracting Party, such appointment shall be made by a senior judge of the Court who is not a national of either Contracting Party.
6. The arbitral tribunal reaches its decisions by a majority of the votes.
7. The arbitral tribunal issues its decisions on the basis of respect for the law and respecting the provisions contained in this agreement about other agreements in force between the Contracting Parties as well as on the generally accepted principles of international law.
8. Taking into account the other provisions agreed upon by the Contracting Parties, the arbitral tribunal determines its legal procedures.
9. Each Contracting Party bears the expenses of the arbitrator appointed by it and the expenses of its representation in the arbitral proceedings. The Contracting Parties jointly bear the expenses of the Chairman of the Arbitral Tribunal and the remaining expenses, equally. The arbitral tribunal may issue a different system of expenditure.
10. Decisions of the Arbitral Tribunal should be final and binding on each Contracting Party.

## **Article 9. Other Obligations**

1. If the legislation of either Contracting Party or any existing obligations under international law or which will be determined subsequently between the Contracting Parties in addition to this Agreement contains an arrangement, whether public or specific, that gives investments by investors of the other Contracting Party the right to a treatment More favorable than what is provided in this Agreement, the priority should be for the application of such legislation to the extent that it is more favorable.
2. Each Contracting Party must take into account any other obligation that it has undertaken by it with regard to investments that has created in its territory by investors of the other Contracting Party.

## **Article 10. Previous Investments of 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 prior to the entry into force of this agreement but this Agreement will not apply on disputes which have arisen prior to its entry into force.

## **Article 11. Final Provisions**

1. This Agreement enters into force thirty days after the date of notification by each of the Contracting Parties of each other that their legal procedures for making this agreement to enter into force has been concluded. This Agreement remains in

effect for a period of ten years and shall be extended thereafter for an indefinite period unless either of the Contracting Parties gives the other contracting party a written notice of its termination twelve months prior to its date of expiry.

2. In the event of a formal notice of termination of this Agreement, the provisions of Articles 1 to 10 remain valid for a further period of ten years for the investments made before the official notification is given.

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

Done in two original copies in Beirut on November 25, 1999, in Arabic, and each copy is considered original.

For the Government of the Republic of Yemen

For the Government of the Republic of Lebanon