AGREEMENT

BETWEEN

T HE GOVERNMENT OF THE REPUBLIC OF INDONESIA

AND

THE GOVERNMENT OF THE REPUBLIC OF TUNISIA OF THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Indonesia and the Government of the Republic of Tunisia (hereinafter referred to as "Parties"),

Bearing in mind the friendly and co-operative relations existing between the two countries and their peoples;

Intending to create favourable condition', for investments by investors of one Party in the territory of the other Party on the basis of sovereign equality and mutual benefit; and

Recognizing that the promotion and protection of such investments will be conducive to the stimulation of individual business initiative and to foster prosperity in both countries.

Have agreed as follows

Article I. Definitions

For the purpose of this Agreement

1/ The term "investments" means any kind of asset invested by investors being a national of one Party in the territory of the other, in conformity with the laws and regulations of the latter, including but not exclusively:

A-movable and immovable property as well as other rights such as mortgages, liens or pledges.,

B-shares, stocks and debentures o! companies wherever incorporated or interests.in the property of such companies;

C-claims to money or to any performance related to investment having a financial value;

D-intellectual property rights including copyright, commercial, trade mark, patents, industrial designs, know-how, trade secrets, trade names and goodwi11,

E-business concessions conferred by law or under con trace, related to investment including concessions to search for, cultivate, extract or exploit natural resources

2/ "Investors" means any nationals or companies being a

National of a Party who effected or is effecting

Investments in the territory of the other Party.

3/ "Companies" means.

A-In respect of the Republic of Indonesia

Any company with a limited liability incorporated in the territory of the Republic of Indonesia or any juridical person constituted in accordance with its laws.

B-In respect of the Republic of Tunisia.

Legal persons or firms or associations constituted in accordance with its laws

4/ "Nationals means

A-In respect of the Republic of Indonesia

Persons who according to the laws of the Republic of Indonesia are Indonesian nationals;

B-In respect of the Republic of Tunisia

Physical persons who are deemed to be nationals of the Republic of Tunisia in accordance with its laws

5/ "Returns" or "incomes" means the amounts yielded by an investment and in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties or fees.

6/ "Territory" means

A-i 11 respect of the Republic of Indonesia, the territory of the Republic of Indonesia as defined. n its laws and parts of the continental shelf and adjacent seas, over which the Republic of Indonesia has sovereignty, sovereign rights or other rights in accordance with international law;

B-In respect of the Republic of Tunisia, the territory of the Republic of Tunisia as defined in its laws and parts of the continental shelf and adjacent seas, over which the Republic of Tunisia has sovereignty, sovereign rights or other rights in accordance with international law.

Article II. Promotion and Protection of Investment

1/ Either Party shall encourage and create favourable conditions for nationals or companies of the other

Part y. To Invest I R

its territory, and shall, admit such capital in accordance with its laws and regulations

2/ Investments of nationals or companies of either Party shall at all time be accorded fair and equitable treatment and shall enjoy adequate protection ano security in the territory of the other Party.

Article III. Scope of Agreemen T

This agreement shall apply to investments by investors of the Republic of Tunisia in the territory of the Republic of Indonesia which have been previously granted admission in accordance with the Indonesian law on foreign capital investment and any law amending or replacing it, and to investments by investors of the Republic of Indonesia in the territory of the Republic of Tunisia which have been previously granted admission in accordance with the Tunisian law on foreign capital investment and any law amending or replacing it.

Article IV. C Ompens a Tion for Damages or Losses

Investors of one Party, whose investments in the territory of the other Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Party, shall be accorded by the latter Party a treatment not less favourable than that which the latter Party accords to its own nationals or companies or to investors of any third State, whichever is the most favourable, as regards restitutions, indemnification, compensation or other settlement.

Article V. Expropriation

1/ Investment of nationals or companies of either Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriat i on (hereinafter referred to as 'expropriation") in the territory of the other Party except for a public purpose related to the internal needs of the expropriating Party and against full, prompt and

effective compensation

Such compensation shall amount to the effective value of the investment expropriated prior to the moment in which the decision to expropriate is announced or made public. Compensation shall be made without undue delay, effectively reliable and freely transferable. The legality of any expropriation and its procedures, the amount and the method of payment of compensation shall be subject to review by due process of law in accordance with the existing laws and regulations of the expropriating Party

2/ Where a Party expropriates the assets of a company which is incorporated or constituted under the law in force i i i any part of its territory, and in which nationals or companies of the other Party own shares, it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to guarantee the compensation provided for in that paragraph to the owners of these shares.

Article VI. Repatria Tion of Invest M Ent

1/ Either Party shall within the scope of its laws and regulations in respect to investment by investors of the other Party grant to those investors without

Unreasonable delay and after they have complied with all their tax obligations, the transfer of

A-Capital and additional capital amounts used to maintain and increase investments,

B-Net operating profits including dividends and interests in proportion to the share-holding of the foreign participant.,

C-Repayment of any loan and the relevant interest thereof, as far as it is related to the investment;

D-Payment of royalties and services fees as far as it is related to the investment;

E-Proceeds from sales of shares;

R Compensation for damages or losses.

G-Compensation for expropriation,

H-Proceeds received by investor in case of

Liquidation;

I-The earnings of nationals of one Party who are allowed to work lit connection with investment in the territory of the other Party

2/ To the extent investor of either Party has not made another arrangement with the appropriate authorities of the other Party in whose territory the investment is situated, currency transfer made pursuant to

Paragraph 1 of this Article shall be permitted in the currency of the original investment or in any other freely convertible currency. Such transfer shall be made at the prevailing rate of exchange on the date of transfer pursuant to the exchange regulation in force

3/ Notwithstanding the preceding paragraphs, either Party may maintain laws and regulations requiring reports of currency transfers.

Article VII. S Ubr Og Ation

If the Party, by virtue of a given guarantee for an investment in the territory of the other Party, carries out payments to its own nationals, the other Party, without prejudice to the rights of the first Party pursuant to Article IX, shall recognize the transmission by effect of the law or of a contract, of all the rights, claims and obligations (transferred rights) that the first Party will be authorized to fulfill in the same extent as its predecessor. Concerning the transfer of payments to be effected to the interested Party by virtue of rights of transmission, the stipulations of Article IV and V are applicable "mutatis mutandis"

Article VIII. Settlement of Dispute between

Investors and the Parties

1/ Any dispute arising between a Party and the investor of the other Party, shall be settled as amicably as possible.

2/ The national or company concerned may choose to consent in writing to the submission of the dispute to the International Center for the Settlement of Investment Disputes (ICSID) for the settlement by conciliation or arbitration, at any time after si:, months from the date upon which the dispute arose. Once the national or company concerned has so consented, either party to the dispute may institute such proceedings provided

(i) the dispute has not been submitted by the national or company for resolution in accordance with any applicable previously agreed dispute settlement procedures; and

(ii) the national or company concerned has not brought the dispute before the courts of justice or administrative tribunals or agencies of competent jurisdiction of the Party that is a party to the dispute.

Unless the parties to the dispute agree otherwise, the national or company may choose whether to proceed through conciliation or arbitration.

Article IX. Settleme N T of Dispute between the Parties Co Ncern Ing Interpr E Tation and Application of the Agreement

1/ Disputes concerning the interpretation or implementation of this Agreement shall be settled amicably through diplomatic negotiation between the the Parties.

2/ If a dispute between the Parties cannot thus be settled, it shall upon the request of either Party be submitted to an arbitral tribunal.

3/ Such an arbitral tribunal shall be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration, each Party shall appoint one member of the tribunal. Those two members shall then select a national of a third State who on approval by the two Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of t h < t h e r two members.

4/ If within the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make any necessary appointments. If the President is a national of either Party or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of either Party or if he too is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Party shall be invited to make the necessary appointments

5/ The arbitral tribunal shall reach its decisions by a majority of votes. Such decision shall be binding on both Parties. Each Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by the Parties

The tribunal may, however, in its decision direct that a higher proportion of cost shall be borne by one of the two Parties and this award shall be binding on both Parties. The tribunal shall determine its own procedure.

Article X. Applic at Ion of other Provisions

Whenever any issue is governed by this Agreement and by any other Agreement to which both are parties more favourable provisions shall be applied to investors.

Article XI. Entry Into Force Duration and Termination

1/ The present Agreement shall enter into force three months after the notification between the Parties of ihe accomplishment of their respective internal procedures of ratification and execution.

It shall remain in force for a period of ten years and shall continue in force thereafter for another period of ten years and so forth unless denounced in writing by eithei Party one year before its expiration.

2/ In respect of investments made prior to the date of termination of the present Agreement, the provisions of Articles I to X shall continue to be effective for a further period of ten years from the date of termination of the present Agreement.

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

DONE in

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Languages.

Duplicate at..... on

In Indonesian, Arabic and English The three texts are equally authentic

FOR THE GOVERNMENT OF THE REPUBLIC (JF INDONESIA

Signed

ALI flLATAS

MINISTER FOR FOREIGN AFFAIRS

FOR THE GOVERNMENT OF THE REPUBLIC OF TUNISIA

Signed

HABIB BEN YAHIA MINISTER OF FOREIGN AFFAIRS