

# **Agreement on Promotion and Guarantee of Investment between the Egyptian Arab Republic and the Great Arab Popular Socialist Libyan Jamahiriya.**

Arab Republic of Egypt and the Great Arab Popular Socialist Libyan Jamahiriya. Proceeding from the guidance of Mr. Mohamed Hosni Mubarak, the president of Arab Republic of Egypt, and the brother / Colonel Muammar Gaddafi, Leader of the Great Al-Fateh Revolution, which expressed during their meeting in Marsa Matrouh, Tobruk and Sirte .

Recognizing the goals of Arabic economic cooperation to achieve largest amount of investment of the Arab funds in the Arabic countries, and intending of both countries to create appropriate conditions to ensure and encourage investment between them, have agreed as follows:

## **Article I.**

Countries shall work to achieve the objectives of this Agreement to strengthening and deepening their cooperation in the areas of promotion, protection and guarantee investments by all means and possibilities.

## **Article II.**

Each party shall prepare the appropriate conditions for the other party and the natural and legal persons who hold its nationality to make investments in its country in permitted areas and according to the laws and regulations in force and without prejudice to the provisions of this Agreement.

## **Article III.**

1. The investments and investments returns invested or employed by natural or legal persons from one of the two Contracting Parties in the territory of the other Contracting Party, shall be granted a treatment not less favorable than that accorded to investments and its returns from any third party. This treatment is also applied in regard to management, maintenance and exploitation, acquisition or the disposition of these investments. These investments, its related activities and its returns shall benefit from the privileges of the promotion and protection identified for the inflow capital, in accordance with the applicable investment promotion laws and the enforcement of investment-related international agreements in both countries.

2. Investments and investment returns set out in paragraph (1) shall enjoy appropriate facilities, incentives and other forms of encouragement, including tax exempts to the limits and conditions that agreed upon between the concerned parties.

3. Each Contracting Party shall undertake to allow the transfer to the outside in the same currency in which the capital was originally inflow or in any freely and fully convertible currency and without delay, the following:

(A) profits, shares dividends, the amounts of profit, capital gains, aid fees, technical and administrative services, interest and other revenue payable in respect of any investment carried out by an investor from the country of the other Contracting Party.

(B) The money due for the total or partial liquidation of any investment carried out by an investor from the country of the other Contracting Party.

(C) the money to pay for investments in the form of loans.

(D) income of the citizens of the country of the other Contracting Party or its employees who are allowed to work in areas related to investment in its territory.

However, the transfers referred to above are subject to the procedures and regulatory legislation in force in the host

country for investment.

## **Article IV. Nationalization and Expropriation**

1. Investments of any Contracting Party or any natural or legal persons shall not be subject to any measures that limit the right of ownership, or the acquisitions, or management or utilization of these investments, whether permanently or temporarily, unless within the limits of prevailing laws or by a rule of the competent court.
2. Investments of either Contracting Party in the territory of the other Contracting Party or investments of any of its natural and legal persons, shall not be nationalized or expropriate, and these investments shall not be subject to measures having an effect equivalent to expropriation or nationalization, except for a public purpose and in the public interest of this state, upon payment of prompt, fair and adequate compensation and provided such measures are carried out in a non-discriminatory basis and in accordance with the law.
3. The compensation shall be calculated on the basis of the fair market value of the investment before announcing the expropriation decision immediately, or by informing the public about expropriation. This value determined according to the accepted principles on the determination of the market value, in the absence of the possibility of determining the market value, it is determined directly by the amount of compensation in accordance with the fair principles, taking into account among other things the investing capital, the depreciation of the capital that has been transferred to the outside, the depreciation value, and the goodwill and other similar things (the amount of compensation including benefits that calculated on the basis of the LIBOR prices from the date of the expropriation until the date of repayment). In the case of not reaching an agreement between the investor and the country hosting the investment, then referencing to the procedures for settlements of investment disputes in accordance with Article (6) of this agreement. If ultimately the amount of compensation has been determined, repayment would have to be immediately and allowed to be transferred to the outside.

## **Article V.**

If there is a subject governed at the same time with this agreement and other agreements dealing with any issues of this Agreement, both Contracting Parties are a party on it or governed by general legal principles recognized by both Contracting Parties or special law of the country hosting the investment. A text in this agreement shall not prevent any of the Contracting Parties or any of its investors who own investments in the territory of the other Contracting Party, to take advantage of any rules that considered more favorable to their cases.

## **Article VI.**

If a dispute arises related to the interpretation or application of this Agreement, the Parties were unable to settle it through direct negotiation, then it will be settled by Arbitration in Cairo Regional Centre for International Commercial Arbitration, If there was no agreement on the sharing of the arbitration, then they may recourse to national courts in the investment host country.

## **Article VII.**

In order to achieve the objectives of this agreement, a joint committee for the promotion and protection of investments will be constituted, the committee includes representatives from stakeholders in both countries, and its tasks as following:

- 1 Follow-up the implementation of the provisions of this agreement and that ensuing from joint agreements between parties.
2. Discuss ways and means which lead to promote investments between the two parties.
3. Shall eliminate the difficulties impeding the implementation of investments.
4. Discuss ways and means to establish and finance joint projects in both countries.
- 5 Examine proposals which being referral to it by stakeholders from both countries.

The Joint Committee meets annually, periodically and alternately in the Arab Republic of Egypt and the Great Arab Popular Socialist Libyan Jamahiriya, and will meet whenever needed and upon mutual agreement.

## **Article VIII.**

This Agreement shall remain in force for an unlimited period unless one country notifies the other with its intention to amend or cancel the Agreement. The amendment or termination will be applied after one year following the date of notification. The cancellation of this agreement does not affect investments made in accordance with its provisions until its expiration or termination.

## **Article IX.**

This Agreement is subject to ratification in accordance with the applicable procedures in both countries, and it will enter into force on the date of notification by completing the legal procedures.

DONE in Cairo on Monday, December 3rd 1990, corresponding to 15 Jumada 1411 in two originals copies in Arabic.

For the Egyptian Arab Republic

For the Great Arab Popular Socialist Libyan Jamahiriya

## **Agreement on the amendment of the agreement on promotion and guarantee of investment between the egyptian arab republic and the great arab popular socialist libyan jamahiriya**

Based on the directives of the political leadership in the Arab Republic of Egypt and the Great Arab Popular Socialist Libyan Jamahiriya, in order to realize the goals of economic cooperation to achieve the largest amount of investment,

Intending both countries to create appropriate conditions to ensure and encourage investment between them, and desiring to amend the Agreement on Promotion and Guarantee of Investment between the Arab Republic of Egypt and the Great Arab Popular Socialist Libyan Jamahiriya, signed between the two countries in Cairo on 15 May 1400 PD, 3 December 1990, referred in hereby as the Agreement, have agreed as follows:

### **1.**

Amend the first paragraph of Article III in the Agreement to be read as follows:

"The investments and investments returns invested or employed by natural or legal persons from one of the two Contracting Parties in the territory of the other Contracting Party, shall be granted a treatment not less favorable than that accorded to investments and its returns from national investors. This treatment is also applicable to the privileges granted by both countries to investments of investors of any third party. The concessions granted or that have been disguised for the investors of any third party. These investments and the related activities and their returns shall benefit from the advantages of encouragement and protection prescribed for foreign capital according to the two applicable investment promotion laws and international agreements related to the investment in force in both countries".

The last paragraph after paragraph (d) of the Article is cancelled. It states: "However, the transfers referred to above are subject to the procedures and regulatory legislation in force in the host country for investment."

### **2.**

A new paragraph 6 is added to article VII, so it shall be read as follows:

"In order to achieve the objectives of this agreement, a joint committee for the promotion and protection of investments will be constituted, the committee includes representatives from stakeholders in both countries, and its tasks are as follows:

1. Follow-up the implementation of the provisions of this agreement and that ensuing from joint agreements between parties.
2. Discuss ways and means which lead to promote investments between the two parties.
3. Exchange information related to the investment legislation and regulations in both countries.
4. Shall eliminate the difficulties impeding the implementation of investments.

5. Discuss ways and means to establish and finance joint projects in both countries.

6 Examine proposals which being referral to it by stakeholders from both countries.

The Joint Committee meets annually, periodically and alternately in the Arab Republic of Egypt and the Great Arab Popular Socialist Libyan Jamahiriya, and will meet whenever needed and upon mutual agreement.

### **3.**

This Agreement is subject to ratification in accordance with the legal procedures in force in both countries, and it enters into force on the date of the latter notification by completing the legal procedures for ratification.

Done and signed in Cairo on 21/12/2006 (1374 AH) in two original copies in Arabic.

For the Government of the Arab Republic of Egypt

Fayza Abul Naga

Minister of International Cooperation

For the Great Arab Popular Socialist Libyan Jamahiriya

Tayeb Safi Tayeb

Secretary of the General Popular Committee for Economy, Trade and Investment