

# **Agreement to protect and encourage mutual investments between the government of the Hashemite Kingdom of Jordan and the Government of the Republic of Armenia**

The Government of the Hashemite Kingdom of Jordan and the Government of the Republic of Armenia (hereinafter referred to as "the Contracting Parties")

Desiring greater encouragement of economic cooperation between them, in relation to investment made by Investors of one Contracting Party in the territory of the other Contracting Party,

And recognizing that the planned treatment of such investment would stimulate the flow of private capital and the economic development of the Contracting Parties,

Agreeing that a stable framework for investment will contribute to maximizing utilization of economic resources and improve living standards,

Having decided to conclude an agreement on the promotion and protection of mutual investments.

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

(1) The term "investment" means any type of asset invested by investors of one the Contracting Parties in the territory of the other Contracting Party in accordance with its laws and regulations, in particular:

(a) Movable or immovable property or any other rights such as mortgages and debts, the rights of usufruct and similar rights.

(b) Shares, bonds, loans and other forms of contribution to companies.

(c) Claims for funds and performance claims.

(d) Intellectual property rights as defined in the multilateral conventions concluded, to the extent that both Contracting Parties are parties to it, including but not limited to copyright, related rights and industrial property rights, trademarks, patents, industrial designs, technical processes and rights in plants varieties, knowledge, trade secrets, trade names and goodwill.

(e) Rights to engage in economic and commercial activities provided by law or by Contract including concessions for the exploration, extraction or exploitation of natural resources.

No change will affect the form of the invested or reinvested assets as an investment, provided that such change is not contrary to the approvals granted of assets originally invested.

(2) The term means "Investor" in respect of any Contracting Party: (a) A natural person who is a national of a Contracting Party who makes an investment in the territory of the other Party.

(b) A legal person incorporated, constituted or otherwise duly organized according to laws and regulations of a Party which has a registered seat and perform real business in the territory of the same Party and makes an investment in the territory of the other Contracting Party.

(3) The term "returns" means income derived from an investment and includes, but is not limited to, profits, dividends, interest, capital gains, allowances, patents and licenses fees and any other charges.

(4) The term "without delay" means the period normally required to complete the formalities necessary for conversion payments. The period specified shall begin on the day on which the transfer request is submitted so as not to exceed in any case, one month.

(5) The term "freely convertible currency" is understood by any currency to be determined by the International Monetary Fund, from time to time, as a freely usable currency in accordance with the articles of the IMF Convention and any amendments thereto.

(6) The term "territory" means; (a) For the Republic of Armenia: The territory of the Republic of Armenia and its territorial waters and the airspace as well as its territory above which the Republic of Armenia exercises rights sovereignty and jurisdiction, in accordance with applicable national laws and international law.

(b) For the Hashemite Kingdom of Jordan: the territory of the Hashemite Kingdom of Jordan as well as those maritime areas adjacent to the outer limits of the territorial sea waters including a seabed, the sea and the subsoil of any of the former lands above, where the rights of sovereignty and jurisdiction are exercised by the Hashemite Kingdom of Jordan in accordance with international law.

## **Article 2. Promotion**

(1) Each Contracting Party shall encourage and create favorable conditions for the investors of the other Contracting Party in order to invest in its territory and must allow such investments in accordance with its laws and regulations.

(2) Each Contracting Party shall endeavor to encourage the flow of mutual investments and to inform the other Party, at the request of either Contracting Party on investment opportunities in its territory.

(3) Each Contracting Party shall, whenever necessary, in accordance with its laws and regulations, accord without delays, the necessary permits for the activities of advisers and experts employed by the investors of the other Contracting Party, taking into account the laws and regulations relating to entry, residence and work of natural persons on each Party; to examine in good faith and to pay due attention, irrespective of nationality, requests of key staff including senior managers and technical personnel employed for the purposes of investments in its territory to enter and stay temporarily and work in its territory. Individuals members of the family of such key personnel should also be granted similar treatment in relation to the entry and temporary stay in the host Party.

## **Article 3. Protection**

(1) Each Contracting Party shall provide in its territory the full protection and security of investments and returns of investors of the other Contracting Party. No Contracting Party may obstruct by undue or discriminatory proceedings, the development, management, maintenance, use, enjoyment, expansion, sale, and if this is the case, the liquidation of those investments.

(2) Investments or returns of investors of either Contracting Party in the territory of the other Contracting Party shall enjoy fair and equitable treatment in accordance with international law.

## **Article 4. National Treatment and Most Favoured Nation Treatment**

(1) Neither Contracting Party shall, in its territory, subject to the investments and returns of the investors of the other Contracting Party to a treatment no less favourable than the treatment it accords to investments and returns of its own investors, or to the investments and returns of the investors of any third State, whichever is more favourable to the investors concerned.

(2) Each Contracting Party shall accord to the investments of the other Contracting Party in respect of the ownership, expansion, operation, management, maintenance, enjoyment, use, sale or disposition of its investment in a transaction no less favourable than that accorded to its own investors or investors of any other third State, whichever is more favourable to interested investors.

(3) Each Contracting Party shall accord to the investors of the other Contracting Party and to their investments and returns a separate treatment required under paragraph (1) and paragraph (2) of this Article, whichever is more favourable to investors, investments or returns.

(4) Neither party shall impose in its territory mandatory measures on investments by investors of the other Contracting Party in respect of the purchase of materials or means of production, operation, transport, marketing of its products or similar.

(5) The provisions of paragraphs (1) and (2) of this Article shall not be construed so as to compel a Contracting Party to provide to the investors of the other Contracting Party a favour, preference or concession on any transaction which may be made by the former Contracting Party under any customs union, economic union, free trade area or similar existing or future international agreements that any Contracting Party is or may become a party to it in the future, or any international agreement or arrangement relating wholly or partly to taxation.

## **Article 5. Expropriation**

(1) No Contracting Party may directly or indirectly expropriate or nationalize an investment in its territory from an investor of the other Contracting Party or take any action or actions, having equivalent effect (hereinafter referred to as "expropriation") except:

- (a) For the purpose of the public interest;
- (b) On a non-discriminatory basis;
- (c) In accordance with the fundamental legal procedures of the Contracting Party.
- (d) Accompanied by the payment of prompt, adequate and effective compensation.

(2) Compensation should be paid without delay.

(3) Compensation should equal the fair value of the expropriated investment immediately before expropriation takes place. The value of the fair market will not reflect any impairment in value given that expropriation became known to all earlier.

(4) Compensation must be fully achievable and freely convertible.

(5) An investor of a Contracting Party affected by expropriation undertaken by the other Contracting Party shall have the right to a prompt review of his claim, including an assessment of his investment and payment of compensation in accordance with the provisions of this Article or by a competent judicial authority or other competent authority.

## **Article 6. Compensation for Damage or Loss**

(1) When investments made by investors of either Contracting Party are lost or damaged by war or other armed conflict, civil unrest, national emergency, revolution, riots or similar events in the territory of the other Contracting Party, they shall be treated by the latter Contracting Party with respect to restitution, compensation for damages, compensation or other settlement, not less favourable than those granted by the last Contracting Party to its own investors or an investor of any third country, whichever is more favourable to the investors concerned.

(2) Without prejudice to the provisions of paragraph (1) of this Article, when the investors of one of the Parties, in any of the cases referred to in that paragraph, suffer damages or losses in the territory of the other Party arising from: (a) The seizure of their property or part thereof by its armed forces or authorities;

(b) The destruction of their property or part thereof by its forces or authorities which was not caused by them in the field of war or not required in the case of necessity;

shall be granted prompt, adequate and effective compensation or restitution for the damage or loss sustained during the period of requisitioning as a result of the destruction of their property. The resulting payments must be made in freely convertible currency and freely transferable without delay.

## **Article 7. Transfers**

(1) Each Party shall ensure that all payments related to an investment in its territory of an investor of the other Party shall be freely transferred to and from the territory without delay. Such transfers should include, in particular, but not exclusively: (a) Initial capital and additional amounts to maintain or increase an investment;

(b) Payments made under contract including loan agreements;

(c) Collected proceeds from sale or liquidation for all or any part of an investment

(d) Compensation under Articles 5 and 6 of this Agreement.

(e) Payments arising from settlement of an investment dispute.

(f) Other gains and rewards for employees contracted from abroad with respect to the investment.

(2) Each Contracting Party shall ensure that the transfers referred to in paragraph (1) of this Article are carried out in freely convertible currency at the prevailing exchange rate on the date of transfer and that the transfer shall be made without delay.

(3) Each Contracting Party shall ensure that interest is calculated on the basis of the forward interest rate on interbank loans with compensation for the period starting from the occurrence of events under Articles 5 and 6 until the date of transfer of payment shall be paid in accordance with the provisions of paragraphs 1 and 2 of this Article.

## **Article 8. Subrogation**

(1) If a Contracting Party (For the purpose of this Article; "First Contracting Party") has made a payment due to compensation for damages suffered in respect of an investment in the territory of the other Contracting Party (for the purpose of this Article: "the Second Contracting Party"), the Second Contracting Party shall recognize that: (a) The first Contracting Party shall have the right to exercise such rights and to enforce such claims by virtue of subrogation to the same extent as the party indemnified for damages and to assume the obligations relating to the investment.

(b) The first Contracting Party shall have the right, in all circumstances, to exercise the same treatment in respect to the rights, claims and obligations acquired by it under the concession, and

(c) Any payments received under those rights and claims, as the Party compensated for the damage is entitled to be received under this Agreement in respect of the investment concerned and its related returns.

## **Article 9. Application of other Obligations**

(1) If the provisions of the law of any Contracting Party or the existing international obligations or subsequently decided between the Contracting Parties, in addition to the present Agreement contain a rule, whether general or specific, granting investments by investors of the other Contracting Party the right to a treatment that is more favourable than is provided for under the present Agreement, such a rule, to the extent that it is more favourable, will prevail over the present Agreement.

(2) Each Contracting Party shall observe and maintain in its jurisdiction an adequate legal framework to ensure that investors have access to legal procedures, including compliance with all assumed undertakings in good faith, with respect of each particular investor.

## **Article 10. Settlement of Disputes between a Party and an Investor of the other Party**

(1) Any dispute arising out of an investment between a Contracting Party and an investor of the other Contracting Party shall be settled through negotiations.

(2) If the dispute under paragraph (1) of this Article cannot be settled within six (2) months of written notice, it shall be settled at the request of the investor as follows: (a) By a competent court of the Contracting Party; or

(b) By conciliation or arbitration by the International Centre for Settlement of Investment Disputes (ICSID) established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States open for signature in Washington on 18 March 1995. In the case of arbitration, each Party hereby agrees in advance to irrevocable consent, even in the absence of a single arbitration agreement between a Contracting Party and an investor, to submit any such dispute to such a centre. This consent implies the waiver of the requirement that internal administrative and judicial remedies should be exhausted; or

(c) By arbitration by three arbitrators in accordance with the rules of the United Nations Commission on International Trade Law (UNCITRAL), as amended by the latest amendment accepted by both Contracting Parties at the time of the request for initiation of the arbitral proceedings. In the case of arbitration, each Contracting Party agrees to an irrevocable agreement in advance, even in the absence of a single arbitration agreement between the Contracting Party and the Investor, to submit any such dispute to the said arbitral tribunal.

(3) The arbitration decision shall be final and binding, and its implementation shall be in accordance with national law. Each Contracting Party shall ensure that the arbitration award is recognized and implemented with the relevant laws and regulations.

(4) Any Contracting Party which is a party to the dispute shall be unable to raise an objection at any stage of the conciliation or arbitration proceedings or enforcement of an award that the investor, who is the other party to the dispute, has received

compensation for damages under a guarantee in full or part of its losses.

(5) The investor who submitted the dispute to a national court in accordance with paragraph 2 (a) of this article or to an arbitral tribunal referred to in paragraphs 2 (b) to (c) shall not have the right to pursue his claim in any other court or arbitration court. The choice of the investor in court or arbitration will be final and binding.

## **Article 11. Settlement of Disputes between the Parties**

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled to the extent possible through negotiations.

(2) If a dispute according to paragraph (1) of this Article cannot be settled within six months, it shall, at the request of either Contracting Party, be submitted to an arbitral tribunal.

(3) Each arbitration party shall appoint one arbitrator and shall agree on a third-country citizen to be their deputy. Such arbitrators shall be appointed within two (2) months from the date on which a Contracting Party informs the other Contracting Party of its intention to submit the dispute to an arbitral tribunal with the appointment of its representative within a further two months.

(4) If, the periods specified in paragraph (3) of this article are not observed, either Party may, in the absence of any other relevant arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of the country of either Party, or if he is otherwise prevented from carrying out the said task, the Vice-President must be invited to make such appointments. If he is unable to do so, the member of the International Court of Justice next in seniority, must be invited to make the necessary appointments under the same conditions.

(5) The tribunal shall reach its decisions under the present Agreement and the rules of international law. The decisions must be reached by a majority vote and shall be final and binding.

(6) Each Contracting Party shall bear the cost of its own member and its legal representation in the arbitral proceedings, and the costs of the President and the remaining costs shall be borne equally between. However, the tribunal is entitled in its award to decide in its resolution a further allocation of costs.

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

This Agreement shall apply to investments made before or after the entry into force of this Agreement, but shall not apply to any dispute with investment instruments arising prior to its entry into force.

## **Article 13. Duration and Termination**

(1) This Agreement shall enter into force on the date of receipt of the last notification through diplomatic channels whereby either Party shall notify the other Contracting Party that its internal legal requirements for the entry into force of this Agreement have been fulfilled.

(2) This Agreement shall remain in effect for a period of ten (10) years and thereafter shall be extended for the following periods from ten years until the expiry of one year before the expiry of the Initial Period or any subsequent period.

(3) Any Contracting Party may notify the other Contracting Party of its intention to denounce the Agreement. In such case, the notice of denunciation shall be effective at the expiration of the current period of 10 years (11 year). For investments made prior to the date on which the notice of denunciation of this Agreement becomes effective, the provisions of this Agreement shall continue for a further period of ten years from the date of denunciation of this Agreement.

The undersigned, duly authorized thereto, have signed this Agreement, which was signed in Oman on 29 October 2014 in three original copies in the Armenian, Arabic and English languages, and the three texts are equally authentic, and in the case of any discrepancy in interpretation, the English text will prevail.

The Government of the Hashemite Kingdom of Jordan (Signed)

The Government of the Republic of Armenia (Signed)