

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

AND

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

ON MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Arab Republic of Egypt and the Government of the Republic of Bulgaria, hereinafter referred to as "Contracting Parties",

Desiring to develop the economic co-operation between the two States,

Preoccupied to encouraging and creating favourable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party on the basis of equality and mutual benefit,

Conscious that the mutual promotion and protection of investments, in accordance with the present Agreement, stimulates the initiatives in this field,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

For the purpose of this Agreement,

1. The term "investments" shall mean every kind of asset related to investments made by an investor of one of the Contracting Parties in accordance with the laws and regulations of the other Contracting Party, and in particular:
 - (a) property rights and other real rights;
 - (b) shares, stocks or other forms of participation in companies;
 - (c) outstanding claims or any other rights having economic value;
 - (d) copyrights, rights in the field of industrial and intellectual property rights (such as patents, licences, industrial designs, trademarks and names), technical processes, know-how and goodwill;
 - (e) activities carried out by virtue of an administrative act issued under the law or under a contract concluded with a competent body to search for, cultivate, extract or exploit natural resources.

A subsequent change of the form in which the investments have been made shall not affect their substance as investments, provided that such a change does not contradict the laws of the relevant Contracting Party.

2. The term "returns" shall mean all amounts yielded by investments, such as profits, dividends, interest and other lawful income.
3. The term "investor" shall mean:
 - (a) with respect to the Republic of Bulgaria:
 - a natural person who is a Bulgarian national in accordance with the law in force in the Republic of Bulgaria;
 - any company, firm, organization or association with or without juridical personality incorporated or constituted in accordance with the laws of the Republic of Bulgaria with a seat in its territory;
 - (b) with respect to the Arab Republic of Egypt:
 - a natural person who is a citizen of the Arab Republic of Egypt in accordance with its law;
 - any company, firm, organization or association with juridical personality, incorporated or constituted in accordance with the laws of the Arab Republic of Egypt with a seat in its territory.

4. The term "territory" shall mean the territory under the sovereignty of the Republic of Bulgaria, on the one hand, and of the Arab Republic of Egypt, on

the other hand, including the territorial sea, as well as the continental shelf and the exclusive economic zone, over which the respective State exercises sovereign rights or jurisdiction in conformity with international law.

ARTICLE 2

1. Each Contracting Party shall promote and protect in its territory investments of investors of the other Contracting Party and accept such investments in accordance with its laws and regulations and accord them fair and equitable treatment and protection.
2. In case of reinvestment of returns from the investments, these reinvestments and their returns shall enjoy the same protection as the initial investments.
3. Each Contracting Party shall consider favourably and in compliance with its laws and regulations, questions concerning entry, stay, work and movement in its territory of nationals of the other Contracting Party who carry out activities connected with the investments as defined in the present Agreement and of their families forming part of their household.

ARTICLE 3

1. Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall be accorded treatment not less favourable than that accorded to investments made by investors of any third State.
2. The provisions of Paragraph 1 of this Article shall not apply to any advantage accorded to investors of a third State by the other Contracting Party based on:
 - (a) existing or future customs union, free trade area, economic communities or similar institutions or,
 - (b) agreements relating to taxation.
3. Should national legislation of the Contracting Parties or present or future international agreements applicable between the Republic of Bulgaria and the Arab Republic of Egypt contain regulations, whether general or specific, entitling investments of investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such regulation shall to the extent that is more favourable prevail over the present Agreement.

Investors of a Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, other armed conflict, state of emergency or other similar events shall be accorded treatment not less favourable than that accorded to investors of any third State.

ARTICLE 5

1. Investments of investors of either Contracting Party can be expropriated or nationalised or subjected to any other measure the effects of which would be tantamount to expropriation or nationalisation in the territory of the other Contracting Party only by virtue of law, in the public interest, on a non-discriminatory basis and against compensation.
2. The compensation shall be adequate to the value of the investments immediately before the date of expropriation, shall be paid without delay and shall include such payments for delay as may be considered appropriate in accordance with the internationally accepted financial practice. The payment of such compensation shall be freely transferable.
3. At the request of the investor affected the legality of the expropriation shall be reviewed by a judicial authority of Contracting Party making the expropriation.

Disputes between one Contracting Party and an investor of the other Contracting Party concerning the amount of compensation shall, if possible, be settled amicably.

If such disputes cannot be settled within a period of three months from the date either party requested amicable settlement and the parties have not agreed to any other dispute settlement procedures, the amount of compensation shall at the request of the investor concerned be reviewed either by a judicial authority of the Contracting Party making the expropriation or by an international ad hoc arbitral tribunal in accordance with Article 9 of the present Agreement.

ARTICLE 6

1. Each Contracting Party shall accord to the investors of the other Contracting Party, after the fulfilment of the tax obligations of the investors, the free transfer of:
 - (a) capital and additional amounts intended to maintain or increase the investment;
 - (b) returns from the investment;

- (d) the sums required for payment of the expenses which arise from the operation of the investment such as loan repayments, payment of patents or licence fees;
 - (e) payments in accordance with Article 5;
 - (f) the remuneration received by the nationals of the other Contracting Party for work or services done in connection with investments made in its territory, in accordance with its laws and regulations.
2. The transfers referred to in the preceding Paragraph shall be made in freely convertible currency without delay, at the exchange rate prevailing on the date of the transfer in the territory of the Contracting Party where the investment was made.
 3. In accordance with the legal regulations of either Contracting Party all transfers subject to this Article shall be treated not less favourably than the transfers of an investment made by an investor of any third State.

ARTICLE 7

A Contracting Party having, by virtue of a guarantee given for an investment made in the territory of the other Contracting Party, made payment to one of its own investors is, by virtue of subrogation, entitled to exercise the rights and actions as well as to assume the obligations of the said investor.

The subrogation in the rights and obligations of the ensured investor extends also to the right of transfer of the payments mentioned in Article 5 .

The paying Contracting Party cannot obtain rights or assume obligations greater than those of the ensured investor.

ARTICLE 8

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall, as far as possible, be settled through negotiations between the Contracting Parties.
2. If a dispute between the Contracting Parties cannot thus be settled within six months after the beginning of negotiations, it shall, upon the request of either Contracting Party, be submitted to an arbitral tribunal.
3. Such an arbitral tribunal shall be constituted for each individual case in the following way:

... months from the receipt of the request of arbitration, each Contracting 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 Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members.

4. If within the periods specified in Paragraph 3 of this Article the necessary appointments have not been made, either Contracting 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 Contracting 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 Contracting 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 Contracting Party shall be invited to make the necessary appointments.
5. The Chairman and the members of the tribunal have to be nationals of States with which both Contracting Parties maintain diplomatic relations.
6. The arbitral tribunal reaches its decision on the basis of the provisions of the present Agreement as well as the generally accepted principles and rules of international law.

The arbitral tribunal reaches its decision by a majority of votes. Such decision shall be final and binding on both Contracting Parties. The tribunal determines its own procedure.

7. Each Contracting Party shall bear the costs 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 Contracting Parties.

ARTICLE 9

1. Any dispute between either Contracting Party and an investor of the other Contracting Party concerning the amount of the compensation for expropriation may be submitted to an ad hoc arbitral tribunal.
2. Such an arbitral tribunal shall be constituted on case by case basis in the following way:

Each of the parties to the dispute shall appoint one arbitrator and these two arbitrators shall appoint a national of a third State which has diplomatic relations with both Contracting Parties, as a Chairman. The first two arbitrators shall be appointed within two months from the date of the receipt of the written

request for arbitration and the Chairman shall be appointed within a period of four months.

If the arbitral tribunal has not been constituted within the period of time specified above, either of the parties to the dispute may invite the President of the Arbitration Court of the Stockholm Chamber of Commerce to make the necessary appointments.

3. The arbitral tribunal shall determine its own procedure with reference to the Arbitration Rules of the United Nation Commission on International Trade Law (UNCITRAL) of 15 December 1976.
4. The arbitral tribunal shall reach its decision by a majority of votes. This decision shall be final and binding for the parties to the dispute. The two Contracting Parties shall execute the decision in accordance with their national laws and regulations.
5. The arbitral tribunal shall reach its decision on the basis of the national laws and regulations of the Contracting Party which is a party to the dispute, including the rules related to conflicts of law, the provisions of this Agreement, as well as the general principles of international law, accepted by both Contracting Parties.
6. Each of the parties to the dispute shall bear the costs of its arbitrator and its representation in the arbitral proceedings. The cost of the Chairman and the remaining costs shall be borne in equal parts by the parties to the dispute.

ARTICLE 10

Each Contracting Party may propose to the other Contracting Party to enter into consultations concerning all questions related to the implementation or interpretation of the present Agreement. The other Contracting Party shall make the necessary arrangements for holding these consultations.

ARTICLE 11

1. This Agreement shall be ratified and shall enter into force on the day of exchange of the instruments of ratification.
2. The present Agreement is concluded for a period of fifteen years. Its validity shall be extended for an indefinite period of time unless either Contracting Party notifies in writing at least six months prior to its expiry the other Contracting Party of its decision to terminate the Agreement. After the initial fifteen years period of validity each Contracting Party may terminate the Agreement upon a six months written notice.

3 With respect to investments made prior to the date when the notice of denunciation of this Agreement is received by the other Contracting Party, the Provisions of Articles 1 to 10 shall remain in force for a further period of ten years from that date.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

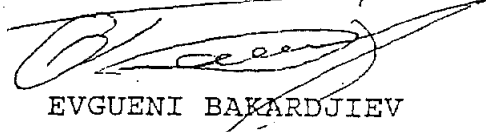
Done in *Cairo*.....on *15.13.1998* in two originals in Arabic, Bulgarian and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

FOR
THE GOVERNMENT OF
THE ARAB REPUBLIC OF EGYPT



ZAFER EL BISHRY
MINISTER OF STATE FOR
PLANNING AND INTERNATIONAL
COOPERATION

FOR
THE GOVERNMENT OF
THE REPUBLIC OF BULGARIA



EVGUENI BAKARDJIEV
DEPUTY PRIME MINISTER
AND MINISTER OF REGIONAL
DEVELOPMENT AND PUBLIC
WORKS