

A g r e e m e n t

between

the Swiss Confederation

and

the Hashemite Kingdom of Jordan

on the Promotion and Reciprocal Protection

of Investments

Preamble

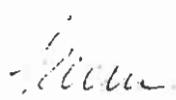
The Swiss Federal Council and the Government of the Hashemite Kingdom of Jordan,

Desiring to intensify economic cooperation to the mutual benefit of both States,

Intending to create and maintain favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognising the need to promote and protect foreign investments with the aim to foster the economic prosperity of both States,

Have agreed as follows:

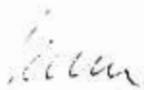


Article 1

Definitions

For the purpose of this Agreement:

- (1) The term "investor" refers with regard to either Contracting Party to:
 - (a) natural persons who, according to the law of that Contracting Party, are considered to be its nationals;
 - (b) legal entities, including companies, corporations, business associations and other organisations, which are constituted or otherwise duly organised under the law of that Contracting Party and have their seat, together with real economic activities, in the territory of the same Contracting Party;
 - (c) legal entities established under the law of any country which are, directly or indirectly, controlled by natural persons as defined in (a) above or by legal entities as defined in (b) above and in which such persons or entities have a substantial part in the ownership.
- (2) The term "investment" means every kind of asset and in particular, though not exclusively, includes:
 - (a) movable and immovable property as well as any other rights in rem, such as servitudes, mortgages, liens, pledges and usufructs;
 - (b) shares, stocks or any other forms of equity participation in a company;
 - (c) claims to money or to any performance having a financial value;
 - (d) intellectual property rights, including but not limited to, copyrights and neighbouring rights, trademarks, patents, industrial designs and technical processes, rights in plants varieties, know how, trade secrets, trade names and goodwill;
 - (e) rights conferred pursuant to law or contract such as concessions, licences, authorisations, and permits.



- (3) The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profits, interest, capital gains, dividends, royalties and fees.
- (4) The term "territory" includes the maritime areas adjacent to the coast of the State concerned, to the extent to which that State may exercise sovereign rights or jurisdiction in those areas according to international law.

Article 2

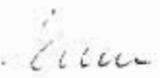
Scope of application

This Agreement shall apply to investments in the territory of one Contracting Party made in accordance with its laws and regulations by investors of the other Contracting Party, whether prior to or after the entry into force of the Agreement. It shall however not be applicable to claims arising out of events which occurred prior to its entry into force.

Article 3

Promotion, admission

- (1) Each Contracting Party shall in its territory promote as far as possible investments by investors of the other Contracting Party and admit such investments in accordance with its laws and regulations.
- (2) When a Contracting Party shall have admitted an investment on its territory, it shall grant the necessary permits in connection with such an investment and with the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance. Each Contracting Party shall, whenever needed, endeavour to issue the necessary authorisations concerning the activities of consultants and other qualified persons of foreign nationality.



Article 4

Protection, treatment

- (1) Investments and returns of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, or disposal of such investments.
- (2) Each Contracting Party shall in its territory accord investments and returns of investors of the other Contracting Party treatment not less favourable than that which it accords to investments or returns of its own investors or to investments or returns of investors of any third State, whichever is more favourable to the investor concerned.
- (3) Each Contracting Party shall in its territory accord investors of the other Contracting Party, as regards the management, maintenance, use, enjoyment or disposal of their investments, treatment not less favourable than that which it accords to its own investors or investors of any third State, whichever is more favourable to the investor concerned.
- (4) If a Contracting Party accords special advantages to investors of any third State by virtue of any existing or future agreement establishing a free trade area, a customs union or a common market or by virtue of any agreement on the avoidance of double taxation, it shall not be obliged to accord such advantages to investors of the other Contracting Party.

Article 5

Free transfer

- (1) Each Contracting Party shall grant the investors of the other Contracting Party the transfer without delay in a freely convertible currency of payments in connection with an investment, particularly, though not exclusively, of:
 - (a) returns;

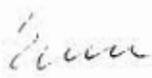


- (b) repayments of loans;
 - (c) amounts assigned to cover expenses relating to the management of the investment;
 - (d) royalties and other payments deriving from rights enumerated in Article 1, paragraph (2), letters (c), (d) and (e) of this Agreement;
 - (e) the initial capital and additional contributions of capital necessary for the maintenance or development of the investment;
 - (f) the proceeds of the partial or total sale or liquidation of the investment, including possible increment values;
 - (g) payments arising out of the settlement of an investment dispute;
 - (h) earnings and other remuneration of personnel engaged from abroad in connection with an investment.
- (2) Unless otherwise agreed with the investor, transfers shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force of the Contracting Party in whose territory the investment was made.

Article 6

Expropriation

- (1) Neither of the Contracting Parties shall take, either directly or indirectly, measures of expropriation, nationalisation or any other measures having the same nature or the same effect against investments of investors of the other Contracting Party, unless the measures are taken in the public interest, on a non-discriminatory basis, and under due process of law, and provided that provisions be made for effective and adequate compensation. Such compensation shall amount to the market value of the investment expropriated immediately before the expropriatory action was taken or became public knowledge, whichever is earlier. The amount of compensation, interest included, shall be settled in a freely convertible currency and paid without delay to the person entitled thereto without regard to its residence or domicile.



- (2) Due process of law includes, in particular, the right of an investor of a Contracting Party which claims to be affected by expropriation by the other Contracting Party to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this article, by a judicial authority or another competent and independent authority of the latter Contracting Party.

Article 7

Compensation for losses

- (1) Investors of one Contracting Party whose investments in the territory of the other Contracting 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 Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own investors or investors of any third State. Resulting payments shall be freely transferable at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force.
- (2) Without prejudice to paragraph (1) of this Article, investors of one Contracting Party who in any of the situations referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from:
- (a) requisitioning of their property by its forces or authorities, or
 - (b) destruction of their property by its forces or authorities, which was not caused in combat action or was not required by the necessity of the situation,
- shall be accorded restitution or adequate compensation. Resulting payments shall be freely transferable at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force.

Article 8

Principle of subrogation

If a Contracting Party, or a duly authorised governmentally or privately owned legal person of that Contracting Party, pays an indemnity to one of its investors in relation with an investment in the territory of the other Contracting Party under a guarantee against non commercial risks, the latter Contracting Party shall recognise the subrogation of the former or its duly authorised legal person in all the rights of the investor under this Agreement.

Article 9

Settlement of disputes between a Contracting Party and an investor of the other Contracting Party

- (1) With a view to an amicable solution of disputes between a Contracting Party and an investor of the other Contracting Party and without prejudice to Article 10 of this Agreement, consultations will take place between the parties concerned.
- (2) If these consultations do not result in a solution within six months from the date of the written request for consultations, the investor may submit the dispute either to the national jurisdiction of the Contracting Party in whose territory the investment has been made or to international arbitration. In the latter event the investor has the choice between either of the following:
 - (a) the International Centre for Settlement of Investment Disputes (ICSID) instituted by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature at Washington, on 18 March 1965 (hereinafter the "Convention of Washington");
 - (b) an ad hoc arbitral tribunal which unless otherwise agreed upon by the parties to the dispute shall be established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL);
 - (c) arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC).

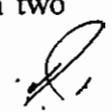
- (3) Each Contracting Party hereby consents to the submission of an investment dispute to international arbitration.
- (4) The Contracting Party which is a party to the dispute shall, at no time whatsoever during the settlement procedure or the execution of the sentence, raise as an objection the fact that the investor has received, by virtue of an insurance contract, a compensation covering the whole or part of the incurred damage.
- (5) A company which has been incorporated or constituted according to the laws in force in the territory of a Contracting Party and which, prior to the origin of the dispute, was under the control of nationals or companies of the other Contracting Party, shall, in accordance with Article 25 (2) (b) of the Convention of Washington, be treated as a company of the other Contracting Party.
- (6) Neither Contracting Party shall pursue through diplomatic channels a dispute submitted to international arbitration unless the other Contracting Party does not abide by and comply with the arbitral award.
- (7) The arbitral award shall be final and binding for the parties to the dispute and shall be executed according to national law.

Article 10

Settlement of disputes between the Contracting Parties

- (1) Disputes between the Contracting Parties regarding the interpretation or application of the provisions of this Agreement shall be settled through diplomatic channels.
- (2) If both Contracting Parties cannot reach an agreement within six months after the beginning of the dispute between themselves, the latter shall, upon request of either Contracting Party, be submitted to an arbitral tribunal of three members. Each Contracting Party shall appoint one arbitrator, and these two arbitrators shall nominate a chairman who shall be a national of a third State.
- (3) If one of the Contracting Parties has not appointed its arbitrator and has not followed the invitation of the other Contracting Party to make that appointment within two

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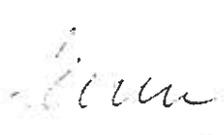


months, the arbitrator shall be appointed upon the request of that Contracting Party by the President of the International Court of Justice.

- (4) If both arbitrators cannot reach an agreement about the choice of the chairman within two months after their appointment, the latter shall be appointed upon the request of either Contracting Party by the President of the International Court of Justice.
- (5) If, in the cases specified under paragraphs (3) and (4) of this Article, the President of the International Court of Justice is prevented from carrying out the said function or is a national of either Contracting Party, the appointment shall be made by the Vice-President, and if the latter is prevented or is a national of either Contracting Party, the appointment shall be made by the most senior Judge of the Court who is not a national of either Contracting Party.
- (6) Subject to other provisions made by the Contracting Parties, the tribunal shall determine its procedure.
- (7) The decisions of the tribunal are final and binding for each Contracting Party.

Article 11

Other commitments

- (1) If provisions in the legislation of either Contracting Party or rules of international law entitle investments by investors of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such provisions shall to the extent that they are more favourable prevail over this Agreement.
 - (2) Each Contracting Party shall observe any obligation it has assumed with regard to investments in its territory by investors of the other Contracting Party.
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Article 12

Final provisions

- (1) This Agreement shall enter into force on the day when both Governments have notified each other that they have complied with the legal requirements for the entry into force of international agreements, and shall remain binding for a period of ten years. Unless written notice of termination is given six months before the expiration of this period, the Agreement shall be considered as renewed on the same terms for a period of two years, and so forth.
- (2) In case of official notice as to the termination of the present Agreement, the provisions of Articles 1 to 11 shall continue to be effective for a further period of ten years for investments made before official notice was given.
- (3) This Agreement replaces the "Agreement between the Hashemite Kingdom of Jordan and the Swiss Confederation on the promotion and reciprocal protection of investments", signed in Berne, on November 11, 1976, entered into force on March 2, 1977.

Done in duplicate, at *Amman*, on *February 25th, 2001*, in Arabic, French and English, each text being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For the Swiss Federal Council

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For the Government of the
Hashemite Kingdom of Jordan

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