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Lithuania
and
Jordan

Agreement between the Government of the Republic of Lithuania and the Government of the Hashemite Kingdom of Jordan on the promotion and protection of investments. Amman, 13 October 2002

Entry into force: *5 May 2003 by notification, in accordance with article 14*

Authentic texts: *Arabic, English and Lithuanian*

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Lituanie
et
Jordanie

Accord entre le Gouvernement de la République de Lituanie et le Gouvernement du Royaume hachémite de Jordanie relatif à la promotion et à la protection des investissements. Amman, 13 octobre 2002

Entrée en vigueur : *5 mai 2003 par notification, conformément à l'article 14*

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[ENGLISH TEXT — TEXTE ANGLAIS]

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA AND THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Lithuania and the Government of the Hashemite Kingdom of Jordan hereinafter referred to as the "Contracting Parties",

Desiring to intensify economic cooperation between them on mutually advantageous conditions,

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

Recognising that the promotion and protection of such investments will stimulate the private business initiative and increase the prosperity of both countries,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" shall comprise every kind of asset, invested by an investor of one Contracting Party in the territory of the other Contracting Party, provided that the investment has been made in accordance with the laws and regulations of the other Contracting Party, and shall include in particular, though not exclusively:

a) movable and immovable property as well as any other rights in rem, such as mortgages, liens and pledges, and similar rights;

b) shares, bonds and other forms of participation in an enterprise;

c) claims to money or to any performance having a financial value;

d) intellectual property rights, as defined in the multilateral agreements concluded under the auspices of the World Intellectual Property Organization, in as far as both Contracting Parties are parties to them, including, but not limited to, copyrights and neighbouring rights, industrial property rights, trademarks, patents, industrial designs and technical processes, rights in plants varieties, know-how, trade secrets, trade names and goodwill;

e) any right to conduct economic activities conferred by law or under contract, including concessions to search for, extract and exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment, provided such an alteration is made in accordance with the host country's law.

2. The term "investor" shall mean in respect of either Contracting Party:

a) natural persons who are nationals of or who are permanently residing in that Contracting Party according to its law;

b) any entity constituted under the law of that Contracting Party.

3. The term "returns" shall mean all amounts yielded by an investment and in particular, though not exclusively, includes profits, capital gains, interest, dividends, royalties and fees.

Returns from investment and from re-investment shall be given the same protection and treatment as investment.

4. The term "territory" shall mean in respect of either Contracting Party the territory under its sovereignty and other areas over which the Contracting Party exercises sovereign rights or jurisdiction in accordance with international law.

5. The term "Contracting Party" shall also mean the Republic of Lithuania or the Hashemite Kingdom of Jordan as the context requires.

Article 2. Promotion of Investment

Each Contracting Party shall encourage investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.

Article 3. Protection and Treatment of Investments

1. Each Contracting Party shall at all times ensure fair and equitable treatment of the investments made by investors of the other Contracting Party as well as their full security and protection.

2. Neither Contracting Party shall by arbitrary or discriminatory measures impair the management, maintenance, use, enjoyment or disposal of investments made by investors of the other Contracting Party.

3. Each Contracting Party shall accord to the investments made by investors of the other Contracting Party treatment no less favourable than that accorded to the investments made by its own investors or investors of any third state, whichever is more favourable.

4. The provisions of this Agreement shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege accorded to the investors of any third state by virtue of:

a) any existing or future customs union, common market, free trade area, other forms of regional economic cooperation or similar international arrangements to which either Contracting Party is or may become a party;

b) any existing or future agreements relating to avoidance of double taxation or any other arrangement relating to taxation.

Article 4. Expropriation

1. Neither Contracting Party shall expropriate, nationalise or take measures having equivalent effect (hereinafter referred to as "expropriation") against investments of investors of the other Contracting Party, unless:

a) such expropriation is in the public interest and legal procedure is applied;

b) such expropriation is carried out without discrimination;

c) prompt, adequate and effective compensation is given.

2. The compensation mentioned in point (c) of the paragraph (1) of this Article shall be equivalent to the market value of the expropriated investment immediately before the expropriation occurred or the impending expropriation became public knowledge, whichever is the earlier, and shall be paid without undue delay. The compensation shall include interest calculated on the LEBOR basis from the date of expropriation.

3. Investors, whose assets are being expropriated shall, without prejudice to their rights under Article 8 of this Agreement, have a right to prompt review by the appropriate judicial or another competent and independent authorities of the expropriating Contracting Party of its case to determine whether such expropriation, and any compensation thereof conforms to the principles of this Article and the laws of the expropriating Contracting Party.

Article 5. Compensation for Losses

1. Investors of one Contracting Party who suffer losses relating to their investments in the territory of the other Contracting Party due to war, a state of national emergency, insurrection, riot or other similar events, shall be accorded by the latter Contracting Party, treatment no less favourable than that which it accords to its own investors or to investors of any third state, whichever is more favourable. Any resulting compensation shall be paid without undue delay and shall be freely transferable.

2. Notwithstanding 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 investments or part thereof by the latter's forces or authorities, or

b) destruction of their investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation,

shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective.

Article 6. Transfers

1. Each Contracting Party shall guarantee to investors of the other Contracting Party free transfer into and out of its territory of payments in connection with an investment, in particular, though not exclusively:

a) the initial capital and additional amounts for the maintenance or extension of the investment;

b) returns;

c) the proceeds from total or partial liquidation of the investment;

d) funds in repayment of loans directly related to the investment;

e) compensation provided for in Articles 4 and 5;

f) the earnings of personnel engaged from abroad in connection with an investment in its territory;

g) payments arising out of the settlement of an investment dispute.

2. Transfers shall be made in the convertible currency in which the original investment was made or in any other currency if so agreed by the investor, at the market rate of exchange prevailing on the date of transfer, and effected without undue delay.

3. The Contracting Parties shall accord to the transfers referred to in paragraphs 1 and 2 of this Article treatment no less favourable than that accorded to transfers in connection with investments made by investors of any third state.

4. Notwithstanding the foregoing provisions of this Article, either Contracting Party maintain equitable, non-discriminatory and good faith application of measures, relating to taxation, protection of rights of creditors or ensuring compliance with other laws and regulations.

Article 7. Subrogation

1. If one Contracting Party or its designated agency makes a payment under an indemnity, guarantee or contract of insurance given in respect of an investment in the territory of the other Contracting Party ("the second Contracting Party"), the second Contracting Party shall recognise:

a) the assignment to the first Contracting Party by law or by legal transaction of all the rights, obligations and claims of the party indemnified, and

b) that the first Contracting Party is entitled to exercise such rights and obligations and enforce such claims by virtue of subrogation, to the same extent as the party indemnified.

Article 8. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Disputes between a Contracting Party and an investor of the other Contracting Party relating to an investment of the latter in the territory of the former shall, if possible, be settled amicably. In an event of dispute the Contracting Party in whose territory the investment was made shall be notified in writing, including detailed information, by the investor.

2. If such dispute cannot be settled amicably within six months from the date of the written notification provided in paragraph 1, the dispute, at the request of either party and at the choice of investor, shall be submitted to:

- the International Centre for the Settlement of Investment Disputes (ICSID) established under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States, opened for signature at Washington DC on 18 March 1965, for conciliation or arbitration under ICSID Rules of Procedure for Arbitration Proceedings if both of the Contracting Parties have acceded to the Convention; or to

- an ad hoc arbitral tribunal, established in accordance with the Arbitration Rules of United Nations Commission on International Trade Law (UNClTRAL). The parties to the dispute may agree in writing to modify those Rules.

3. The awards of arbitration shall be final and binding on the parties to the dispute. Each Contracting Party shall carry out without delay any such award and shall provide for the effective enforcement of such awards in its territory.

4. Neither Contracting Party shall assert as a defence that indemnification or other compensation for all or part of the alleged damage has been perceived or will be received pursuant to an indemnity, guarantee or insurance contract.

Article 9. Settlement of Disputes between the Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through the diplomatic channels.

2. If the Contracting Parties cannot reach an agreement within six months after the beginning of the dispute between themselves, the latter shall, upon the request of either Contracting Party, be submitted to an arbitral tribunal.

3. Such an arbitral tribunal shall be constituted for each case in the following way: Within two months from the date on which either Contracting Party receives from the other Contracting Party a request for arbitration, each Contracting Party shall appoint one arbitrator. These two arbitrators shall together, within a further two month period, select a third arbitrator who is a national of a third state. The third arbitrator, once approved by the two Contracting Parties, shall be appointed as Chairman of the arbitral tribunal.

4. If the arbitral tribunal has not been constituted within the periods specified in paragraph 3 of this Article, 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 is otherwise prevented from discharging this 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 arbitral tribunal shall determine its own procedure subject to the provisions of this Agreement and international law. The arbitral tribunal shall reach its decisions by a majority of votes. The decisions shall be final and binding upon each Contracting Party.

6. Each Contracting Party shall bear the costs of its own member of the arbitral tribunal and of its representation in the arbitration proceedings, the costs of the Chairman and

remaining costs shall be borne in equal parts by the Contracting Parties. The arbitral tribunal may, however, decide that a higher proportion of costs shall be borne by one of the two Contracting Parties and such award shall be binding on both Contracting Parties.

Article 10. More Favourable Provisions

If the domestic law of either Contracting Party or obligations under international law, existing at present or established hereafter, entitle investments by investors of the other Contracting Party to treatment more favourable than that provided by this Agreement, such treatment shall prevail.

Article 11. Consultations

Upon request by either Contracting Party, the other Contracting Party shall agree promptly to hold consultations on the interpretation or application of this Agreement.

Article 12. Application of the Agreement

1. This Agreement shall apply to the investments made in the territory of one of the Contracting Parties in accordance with its laws and regulations by investors of the other Contracting Party prior to as well as after the entry into force of this Agreement, but shall not apply to any dispute concerning an investment which arose or could have arisen, or any claim which was settled before its entry into force.

2. This Agreement shall also not apply to the matters, related to acquisition, use, exploitation or disposition of the land. These questions are regulated by the laws and regulations in force in either Contracting Party.

Article 13. Amendments

At the time of entry into force of this Agreement or at any time thereafter the provisions of this Agreement may be amended in such a manner as may be agreed in writing between the Contracting Parties. Such amendments shall enter into force on the date when the Contracting Parties have notified each other that all their respective internal procedures for their entry into force have been completed.

Article 14. Entry into Force, Duration and Termination

1. This Agreement shall enter into force on the date when the Contracting Parties have notified each other in writing that all their respective internal legal procedures for its entry into force have been completed.

2. This Agreement shall remain in force for a period of fifteen (15) years. It shall continue to be in force thereafter until the expiration of twelve (12) months from the date on which either Contracting Party shall have given written notice of termination to the other.

3. With respect to investments made prior to the effective date of termination of this Agreement, the provisions of Articles 1 through 12 shall remain in force for a further period of ten (10) years from such date.

Done in duplicate at Amman on 13 October 2002 in the Lithuanian, Arabic and English languages, all texts being equally authentic. In case of divergent interpretation, the English text shall prevail.

For the Government of the Republic of Lithuania:

For the Government of the Hashemite Kingdom of Jordan:

SALAHEDDIN AL-BASHIR