

No. 6954

**UNITED STATES OF AMERICA
and
UNITED ARAB REPUBLIC**

**Exchange of notes constituting an agreement relating to
investment guaranties. Cairo, 29 June 1963**

Official text: English.

Registered by the United States of America on 8 October 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE ARABE UNIE**

**Échange de notes constituant un accord relatif à la garantie
des investissements. Le Caire, 29 juin 1963**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 8 octobre 1963.

No. 6954. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED ARAB REPUBLIC RELATING TO INVESTMENT GUARANTIES. CAIRO, 29 JUNE 1963

I

*The American Ambassador to the Minister of Treasury and Planning
of the United Arab Republic*

Cairo, June 29, 1963

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in the United Arab Republic which further the development of the economic resources and productive capacities of the United Arab Republic and to guaranties of such investments by the Government of the United States of America. I also have the honor to confirm the following understandings reached as a result of those conversations :

1. The Government of the United States of America and the Government of the United Arab Republic shall, upon the request of either Government, consult concerning investments in the United Arab Republic which the Government of the United States of America may guaranty.

2. The Government of the United States of America shall not guaranty an investment in the United Arab Republic unless the Government of the United Arab Republic approves the activity to which the investment relates and agrees that the Government of the United States of America may guaranty such investment.

3. If an investor after exhausting all other channels of settlement or conversion transfers to the Government of the United States of America pursuant to an investment guaranty, (a) lawful currency, including credits thereof, of the United Arab Republic, (b) any claims or rights which the investor has or may have arising from the business activities of the investor in the United Arab Republic or from the events entitling the investor to payment under the investment guaranty, or (c) all or part of the interest of the investor in any property (real or personal, tangible or intangible) within the United Arab Republic, the Government of the United Arab Republic shall recognize such transfer as valid and effective, within the scope of the laws applicable in the United Arab Republic.

¹ Came into force on 29 June 1963 by the exchange of the said notes.

4. Lawful currency of the United Arab Republic, including credits thereof, which is acquired by the Government of the United States of America pursuant to a transfer of currency or from the sale of property transferred under an investment guaranty shall be accorded treatment by the Government of the United Arab Republic with respect to exchange, repatriation or use thereof, not less favorable than that accorded to funds of nationals of the United States of America derived from activities similar to those in which the investor had been engaged and in accordance with foreign exchange regulations applicable in the United Arab Republic. Such currency may in any event be used by the Government of the United States of America for any of its expenditures in the United Arab Republic.

5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of the United Arab Republic, to which the Government of the United States of America may succeed as transferee or which may arise from the events causing payment under an investment guaranty shall, upon the request of either Government be the subject of negotiations between the two Governments and shall be settled in such negotiations.

If within a period of three months after a request for negotiations, the two governments are unable to settle any such dispute or claim by agreement, the dispute or claim shall be referred upon the initiative of either government to an arbitral tribunal for final and binding determination. The arbitral tribunal shall be made up for each case separately, with each government appointing one arbitrator; these two arbitrators shall designate a president by common agreement who shall be a citizen of a third state. The arbitrators shall be appointed within two months and the president within three months of the date of receipt of either government's request for arbitration.

If within the time specified either of the governments fails to designate its own arbitrator, or if the third arbitrator is not agreed upon, they, in the absence of any other agreement, shall request the President of the International Court of Justice to make the necessary appointment by choosing the arbitrator or arbitrators.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the United Arab Republic, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two governments on this subject, the Agreement to enter into force on the date of 29 June 1963.

Accept, Excellency, the renewed assurances of my highest consideration.

John S. BADEAU

His Excellency 'Abd al-Monheim al-Kaissouni
Minister of Treasury and Planning of the United Arab Republic
Cairo

II

*The Minister of Treasury of the United Arab Republic to the American
Ambassador*

UNITED ARAB REPUBLIC
MINISTRY OF TREASURY
Office of the Minister

Cairo, June 29, 1963

Excellency :

I have the honour to acknowledge the receipt of your note of June 29, 1963, which reads as follows :

[*See note I*]

I have the honor to inform Your Excellency that the terms of the foregoing note are acceptable to the Government of the United Arab Republic and that the Government of the United Arab Republic consider Your Excellency's note and the present reply as constituting an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of this reply.

Accept, Excellency, the renewed assurance of my highest consideration.

A. KAISSOUNI

His Excellency John S. Badeau
Ambassador of the United States of America
Cairo