

No. 14594

**FRANCE
and
EGYPT**

Convention concerning the mutual promotion and protection of investments (with exchanges of letters). Signed at Cairo on 22 December 1974

Authentic text: French.

Registered by France on 19 February 1976.

**FRANCE
et
ÉGYPTE**

Convention sur l'encouragement et la protection réciproques des investissements (avec échanges de lettres). Signée au Caire le 22 décembre 1974

Texte authentique : français.

Enregistrée par la France le 19 février 1976.

[TRANSLATION — TRADUCTION]

CONVENTION¹ BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT CONCERNING THE MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Arab Republic of Egypt,

Desiring to increase economic co-operation between the two States and to create favourable conditions for French investments in Egypt and Egyptian investments in France,

Convinced that the promotion and protection of such investments are likely to stimulate transfers of capital between the two countries in the interest of their economic development,

Have agreed on the following provisions:

Article 1. For the purposes of this Convention:

(1) The term “investments” shall apply to all categories of assets, particularly but not exclusively:

- (a) movable and immovable property and all other real rights such as mortgages, preferences, usufructs, sureties and similar rights;
- (b) shares and other forms of participation, albeit minority or indirect, in companies organized in the territory of either Contracting Party;
- (c) claims or any rights to benefits having an economic value;
- (d) copyright industrial property rights, technical processes, registered trade names and goodwill;
- (e) industrial concessions accorded by law or by virtue of a contract, including concessions for prospecting, cultivating, mining or developing natural resources, including those situated on the continental shelf;

it being understood that the said assets shall be invested in accordance with the legislation of the Contracting Party in whose territory the investment is made, before or after the entry into force of this Convention.

Any change in the form in which assets are invested shall not affect their status as an investment, provided that the change is not contrary either to the legislation of the State in whose territory the investment is made or to the approval granted for the original investment.

(2) The term “nationals” shall apply to individuals having the nationality of either Contracting Party.

(3) The term “companies” shall apply to any body corporate organized in the territory of either Contracting Party in accordance with its legislation and having its registered office there.

¹ Came into force on 1 September 1975, i.e., the first day of the second month following the exchange of notifications (effected on 13 May and 29 July 1975) by which the Parties had informed each other of their approval, in accordance with article 13.

(4) The term "income" shall apply to proceeds from an investment, such as profits, dividends or interest, for a given period.

Article 2. Each Contracting Party shall promote investments in its territory by nationals and companies of the other Party.

Article 3. Each Contracting Party shall undertake to accord in its territory just and equitable treatment to the investments of nationals and companies of the other Party and to ensure that the exercise of the right so granted is not impeded either *de jure* or *de facto*.

Such treatment shall be at least the same as that accorded by each Contracting Party to its own nationals or companies or the treatment accorded to nationals or companies of the most-favoured nation, if the latter is more advantageous.

It shall not, however, include privileges granted by either Contracting Party by virtue of its participation in or association with a customs union, common market or free trade area to nationals or companies of a third State.

Article 4. Neither Contracting Party shall take direct or indirect expropriation, nationalization or dispossession measures with respect to investments of nationals or companies of the other Contracting Party, except for reasons of public necessity and on condition that they are not discriminatory or contrary to a specific undertaking.

Any dispossession measures taken shall give rise to the payment of fair compensation, which shall correspond to the real value on the date of dispossession of the property, rights and interests subjected to dispossession.

Such compensation, the amount and methods of payment of which shall be determined not later than the date of dispossession, shall be effectively realizable. It shall be paid without delay and be freely transferable.

Article 5. A Contracting Party, in whose territory investments have been made by nationals or companies of the other Contracting Party, shall accord to these nationals or companies the free transfer of:

- (a) income;
- (b) royalties from the intangible property listed in article 1 (1), letters (d) and (e);
- (c) payments by way of loan repayments;
- (d) proceeds of the transfer or complete or partial liquidation of the investment, including appreciation or increases in the invested capital;
- (e) the compensation for dispossession provided for in article 4 above.

Nationals of each Contracting Party who have been authorized to work in the territory of the other Contracting Party shall also be authorized to transfer to their country of origin an appropriate amount of their remuneration in accordance with the legislation of each of the Contracting Parties.

The transfers referred to in the preceding paragraphs shall be carried out without delay at the official rate of exchange applicable on the date of transfer.

Article 6. Nationals and companies of one Contracting Party shall not be subject, in the territory of the other Party, to duties, fees, levies or taxes of any description other than, or higher than, those levied on nationals and companies of the latter Party in the same circumstances.

Article 7. Each Contracting Party shall agree to submit to the International Centre for Settlement of Investment Disputes any dispute which may arise between it and a national or company of the other Contracting Party.

Article 8. In so far as the regulations of one Contracting Party provide for guaranteeing external investments, a guarantee may be granted, on the basis of a case-by-case review, for investments made by its nationals or companies in the territory of the other Party.

The guarantee referred to in the preceding paragraph shall not be available for investments by nationals and companies of one Contracting Party in the territory of the other Party unless the investments have been granted prior approval by the latter Party and have been the subject of a specific undertaking by that Party vis-à-vis the said nationals or companies, including recourse to the International Centre for Settlement of Investment Disputes if, in the event of dispute, an amicable agreement has not been reached within three months.

Article 9. When one Contracting Party, by virtue of a guarantee issued in respect of an investment in the territory of the other Party, makes payments to one of its own nationals or companies, it shall thereby enter into the rights and shares of the said national or company. The subrogation of rights shall also extend to the right of transfer referred to in article 5 above.

However, in the case of the investments referred to in article 8 of this Convention, if a claim has been submitted to the International Centre for Settlement of Investment Disputes, the subrogation to its own nationals and companies of the Contracting Party which has made payments to them shall apply only to rights granted to them by decision of the Centre.

Article 10. Investments which have been the subject of a specific undertaking by one Contracting Party vis-à-vis nationals and companies of the other Party shall be governed by the terms of that undertaking, in so far as its provisions are more favourable than those laid down by this Convention.

Article 11. Any dispute concerning the interpretation or application of this Convention which cannot be settled within a period of six months through the diplomatic channel may be submitted, at the request of either Contracting Party, to an arbitral tribunal to be formed in the following manner:

Each Contracting Party shall designate an arbitrator within one month of the date on which the request for arbitration is received. The two arbitrators so designated shall, within two months of the notification by the Party which was the later in designating its arbitrator, choose a third arbitrator, who shall be a national of a third State.

Should one of the Contracting Parties not have designated an arbitrator within the time laid down, the other Party may request the Secretary-General of the United Nations to make the designation. The same shall apply, at the request of either Party, if the two arbitrators fail to agree on the choice of a third arbitrator.

The Contracting Parties may agree beforehand to designate, for a period of five years, subject to extension for further similar periods, a person to serve as the third arbitrator in the event of a dispute. The decision of the arbitral tribunal shall be final and fully enforceable.

The tribunal shall establish its own rules of procedures.

Article 12. The first of the two exchanges of letters annexed to this Convention shall form an integral part of it.

Article 13. This Convention shall enter into force on the first day of the second month following the exchange of instruments of ratification or approval.

It is concluded for an initial period of 10 years and shall remain in force thereafter unless one year's notice of termination is given through the diplomatic channel by either Contracting Party.

In the event of termination, this Convention shall continue to be applicable to investments made during the period when it was in force.

DONE at Cairo on 22 December 1974, in two originals in the French language.

For the Government
of the French Republic:
[Signed]
JEAN SAUVAGNARGUES

For the Government
of the Arab Republic of Egypt:
[Signed]
ISMAÏL FAHMI

EXCHANGES OF LETTERS

Ia

ARAB REPUBLIC OF EGYPT
MINISTER FOR FOREIGN AFFAIRS

22 December 1974

Sir,

I have the honour to propose that, for the purpose of the application of this Convention, the expression "without delay" used in article 5 shall signify that the transfer shall be carried out as promptly as normal administrative formalities permit, and in any case within two months of receipt of the application for transfer. This expression shall not, however, inhibit the right of each Party to arrange for the proceeds of the liquidation of an investment to be transferred in instalments. In such cases, the expression "without delay" used in article 5 shall apply to each partial transfer for which provision is made by the regulations of the country in which the investment has been liquidated.

In any case, the period over which transfers in the event of liquidation may be spread out shall not exceed five years and the instalments transferred annually shall not be less than one-fifth of the total amount to be transferred.

I should be grateful if you would confirm that you agree to the foregoing.

Accept, Sir, etc.

[Signed]
ISMAÏL FAHMI

His Excellency Mr. Jean Sauvagnargues
Minister for Foreign Affairs
of the French Republic

IIa**FRENCH REPUBLIC
MINISTER FOR FOREIGN AFFAIRS**

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

[See letter Ia]

I have the honour to confirm my agreement to the foregoing text.
Accept, Sir, etc.

[Signed]
JEAN SAUVAGNARGUES

His Excellency Mr. Ismaïl Fahmi
Minister for Foreign Affairs
of the Arab Republic of Egypt

Ib**ARAB REPUBLIC OF EGYPT
MINISTER FOR FOREIGN AFFAIRS**

Sir,

I have the honour to inform you that, in order to promote investments by French companies and nationals in the territory of the Arab Republic of Egypt prior to the entry into force of the Convention between the Government of the Arab Republic of Egypt and the Government of the French Republic concerning the mutual promotion and protection of investments signed today, the Government of the Arab Republic of Egypt will as from today apply the provisions of the Convention on a provisional basis.

The sole purpose of this declaration is to enable the French Government to guarantee investments made by French companies or nationals in the Arab Republic of Egypt prior to the entry into force of the Convention.

Accept, Sir, etc.

[Signed]
ISMAÏL FAHMY

His Excellency Mr. Jean Sauvagnargues
Minister for Foreign Affairs
of the French Republic

II b

FRENCH REPUBLIC
MINISTER FOR FOREIGN AFFAIRS

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

[*See letter Ib*]

Accept, Sir, the assurances of my highest consideration.

[*Signed*]

JEAN SAUVAGNARGUES

His Excellency Mr. Ismaïl Fahmi
Minister for Foreign Affairs
of the Arab Republic of Egypt
