

No. 19570

**FRANCE
and
SYRIAN ARAB REPUBLIC**

Convention concerning the mutual promotion and protection of investments. Signed at Damascus on 28 November 1977

Authentic texts: French and Arabic.

Registered by France on 20 February 1981.

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et
RÉPUBLIQUE ARABE SYRIENNE**

Convention sur l'encouragement et la protection réciproques des investissements. Signée à Damas le 28 novembre 1977

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Enregistrée par la France le 20 février 1981.

[TRANSLATION — TRADUCTION]

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

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

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

Convinced that the promotion and protection of such investments are likely to stimulate transfers of capital and technology 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 property, rights and interests, 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, issue premiums and other forms of participation, albeit minority or indirect, in companies organized in the territory of either Party;
- (c) Claims, bonds or any rights to benefit having an economic value;
- (d) Copyright, industrial property rights, technical processes, registered trade names and good will;
- (e) Concessions accorded by law or by virtue of a contract, including concessions for prospecting, cultivating, mining or developing natural resources, including those situated in the adjacent maritime zones in which the Contracting Parties exercise sovereign rights;

it being understood that the said assets shall have been invested in accordance with the legislation of the Contracting Party in whose territory the investment is made, 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.

¹ Came into force on 1 March 1979, i.e., one month after the date of the exchange of the instruments of ratification or approval (effected on 27 August 1978 and 30 January 1979), in accordance with article 13.

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.

Article 2. Each Contracting Party shall promote investments in its territory by nationals and companies of the other Party. These investments shall be subject in each case to prior authorization. Each Party shall acknowledge that these investments conform with its ordinances and regulations.

Article 3. Each Contracting Party shall undertake to accord in its territory just and equitable treatment, in accordance with the principles of international law, 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 nationals or companies of the most-favoured nation.

Article 4. Nationals and companies of either Contracting Party shall, when conducting professional and economic activities connected with investments made in the territory of the other Party, be accorded national treatment, as provided for by the national legislation, and its ordinances and regulations, or most-favoured-nation treatment if the latter is more advantageous.

However, no provision of this Convention shall prevent either Party from taking such measures as it considers to be necessary in order to prevent the disclosure of information contrary to its essential security interests. These measures shall be applied equitably, in good faith and in accordance with the principle of the most-favoured-nation clause set forth in this Convention.

Article 5. The Contracting Parties shall not take any expropriation or nationalization measures or any other measures which could cause nationals and companies of the other Party to be dispossessed, directly or indirectly, of the investments belonging to them in its territory, except for reasons of public necessity and on condition that these measures are not discriminatory, are in accordance with legal requirements and are not 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 of the investments on the date of 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 6. 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 above;
- (c) Payments made towards the repayment of duly contracted loans;
- (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 5 above.

Nationals of each Contracting Party who have been authorized to work in the territory of the other Contracting Party in connection with an approved investment shall also be authorized to transfer to their country of origin an amount which shall not exceed 50 per cent of their remuneration.

The importation of capital, as well as the transfers referred to in the preceding paragraphs, shall be carried out without delay and at the rate of exchange applicable on the date of transfer. The rate of exchange applicable to the operation shall be that normally applied by the accredited banks of each of the Contracting Parties.

Article 7. 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.

Article 8. Each Contracting Party shall agree to submit to the International Centre for Settlement of Investment Disputes (ICSID) or, if it is legally impossible to have recourse to this body, to the International Chamber of Commerce, any dispute which may arise between it and a national or company of the other Contracting Party.

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 rights of transfer and arbitration referred to in articles 6 and 8 above.

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, without prejudice to the provisions of this Convention, by the terms of that undertaking, in so far as its provisions are more favourable than those laid down by this Convention.

Article 11. Most-favoured-nation treatment, as provided for by articles 3 and 4 of this Convention, shall not, however, include privileges granted by either Contracting Party, by virtue of its participation in or association with a customs union, common market, free trade area or any other similar regional economic association, to nationals and companies of a third State.

Article 12. 1. Disputes concerning the interpretation or application of the provisions of this Convention shall be settled through the diplomatic channel.

2. If the two Contracting Parties do not reach a settlement within six months, the dispute shall be submitted, at the request of either Contracting Party, to an arbitral tribunal consisting of three members. Each Contracting Party shall designate an arbitrator within a period of one month. The two arbitrators so designated shall appoint a chairman, who shall be a national of a third State.

3. If one of the Contracting Parties has not designated its arbitrator and has not complied with the request from the other Contracting Party to make such a designation within two months, the arbitrator shall be appointed, at the request of

the latter Contracting Party, by the President of the International Court of Justice.

4. If the two arbitrators are unable to agree on the choice of a chairman within the two months following their designation, he shall be appointed, at the request of either Contracting Party, by the President of the International Court of Justice.

5. If, in the cases mentioned in paragraphs 3 and 4 of this article, the President of the International Court of Justice is prevented from exercising his mandate or if he is a national of one of the Contracting Parties, the appointments shall be made by the Vice-President; if the latter is prevented from doing so or if he is a national of one of the Contracting Parties, the appointments shall be made by the senior member of the Court who is not a national of either of the Contracting Parties.

6. Unless the Contracting Parties decide otherwise by common agreement, the tribunal shall establish its own rules of procedure. It shall take its decisions by a majority of votes.

7. The decisions of the tribunal shall be final and binding upon the Contracting Parties.

Article 13. This Convention shall be approved in accordance with the constitutional procedure applicable in each of the two States; the exchange of the instruments of ratification or of approval shall take place as soon as possible.

This Convention shall enter into force one month after the date of the exchange of the instruments of ratification or approval.

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

In the event of denunciation, this Convention shall continue to be applicable to investments made prior to such denunciation for a period of 15 years.

IN WITNESS WHEREOF, the representatives of both Governments, being duly authorized thereto, have signed this Convention.

DONE at Damascus, on 28 November 1977, in two originals in the French and Arabic languages, both texts being equally authentic.

For the Government
of the French Republic:

[Signed]

RAYMOND BARRE

For the Government
of the Syrian Arab Republic:

[Signed]

GENERAL KLHEIFAOU