

Treaty of Friendship between the Kingdom of Egypt and the Kingdom of Judea

Her Majesty Kleopatra Thea Neotera Philopatris Queen of Egypt and Ptolemaios Kaisar Philopator Philometor on the one hand and Herod King of the Jews and King of Judea (hereinafter collectively referred to as the Contracting States and each referred to as Contracting Party or Contracting State).

Recalling that our ancestors were never lacking either in wisdom or courage, and yet pride did not keep them from adopting foreign institutions, provided they were honourable.

Desiring to develop friendly relations and cooperation between themselves in accordance with the United Nations Charter and the principles of international law governing international relations in times of peace;

Desiring as well to create favourable conditions for greater economic co-operation between them, and in particular for investments by investors of one Contracting State in the territory and maritime zones of the other Contracting State.

Recognizing that the encouragement and reciprocal protection under international agreements of such investments will be conducive to the stimulation of business initiative and will increase prosperity in both Contracting States.

Agree to the following provisions in the free exercise of their sovereignty,

In the case of wrongdoing of an investor, we shall limit ourselves to such penalties as the law has established.

Have agreed as follows:

ARTICLE 1

Definitions

For the purposes of this Agreement

1) The term “investment” shall comprise every kind of asset invested before or after the entry into force of this Agreement by a natural or, juridical person including the Government

of a Contracting State, in the territory and maritime zones of the other Contracting State, in accordance with the laws and the regulations of that State. Without restricting the generality of the foregoing, the term “investment” shall include:

- (a) movable and immovable property as well as any other property rights *in rem* such as mortgages, liens, pledges, usufruct and similar rights;
- (b) shares, stocks and debentures of companies, or other rights or interests in such companies, and government issued securities;
- (c) claims to money, or to any performance having economic value associated with an investment;
- (d) copyrights, trademarks, patents, industrial designs, and other industrial property rights, know-how, trade juridical rights and goodwill;
- (e) any right conferred by law or contract, and any licences and permits pursuant to law, including the right to search for, extract, and exploit natural resources.

(2) The term “investor” shall mean any natural or juridical person, including the Government of a Contracting State who invests in the territory and maritime zones of the other Contracting State.

(3) The term “natural person” shall mean, with respect to either Contracting State, a natural person holding the nationality of that State in accordance with its laws.

(4) The term “juridical person” shall mean, with respect to either Contracting State, any entity established in accordance with, and recognized as a juridical person by the law of the State: such as public institutions, corporations, foundations, private companies, firms, establishments and organisations, irrespective of whether their liabilities are limited or otherwise.

(5) The term “returns” shall mean amounts yielded by an investment and in particular, though not exclusively, includes profits, interests, capital gains, share dividends, royalties or fees.

(6) “Maritime zones” mean the marine and submarine zones over which the Contracting States exercise, under international law, sovereignty, sovereign rights and/or jurisdiction.

ARTICLE 2

Promotion and Protection of Investments

(1) Each Contracting State shall encourage investors of the other Contracting State to make investments in its territory and maritime zones, and in exercise of powers conferred by its laws, shall admit such investments.

(2) Each Contracting State shall at all times ensure fair and equitable treatment to the investments of investors of the other Contracting State. Each Contracting State shall ensure that the management, maintenance, use, enjoyment or disposal of investments in its territory and maritime zones of investors of the other Contracting State shall not in any way be

subjected to, or impaired by, unreasonable or discriminatory measures. Investments and investors shall at all times enjoy full security and protection.

(3) If necessary, the Contracting States shall periodically consult between themselves concerning investment opportunities within the territories and maritime zones of each other in various sectors of the economy, to determine where investments from one Contracting State into the other may be most beneficial, in the interest of both Contracting States.

ARTICLE 3

Most Favoured Nation Provisions

(1) Neither Contracting Party shall in its territory subject investments completely owned by nationals or companies of the other Contracting Party to treatment less favourable than it accords to investments of its own nationals or companies or to investments of nationals or companies of any third Country.

(2) Neither Contracting Party shall in its territory subject nationals or companies of the other Contracting Party, as regards their activity in connection with investments, to treatment less favourable than it accords to its own nationals or companies or to nationals or companies of any third Country.

(3) The treatment mentioned above shall not apply to any advantage accorded to investors of a Third State by either Contracting State based on the membership of that Contracting State in a Customs Union, Common Market, Free Trade zone, regional or sub-regional arrangement, economic multilateral international Agreement, or based on an Agreement concluded between that Contracting State and a third State on avoidance of double taxation, or for facilitation of frontier trade.

ARTICLE 4

Compensation for Damage or Loss

(1) Investments by nationals or companies of either Contracting Party shall enjoy full protection in the territory of the other Contracting Party.

(2) Nationals or companies of either Contracting Party whose investments suffer losses in the territory of the other Contracting Party owing to war, other armed conflict, or to other incidents considered as such by the international law, shall be accorded, treatment not less favourable by such other Contracting Party than that Party accords to its own nationals or companies, as regards indemnification or compensation.

(3) Nationals or companies of either Contracting Party shall enjoy most-favoured -nation treatment in the territory of the other Contracting Party in respect of the matters provided for in the present Article.

ARTICLE 5

Nationalization or Expropriation

- (1) (i) Investments of either Contracting State, or any of its natural or juridical persons, shall not be subject to any measures limiting the right of ownership, possession, control, or enjoyment of these investments, whether permanent or temporary, except for the specific provisions of the laws in force and the order issued by a competent court.
- (ii) Investments of either Contracting State or any of its natural or juridical persons shall not be directly or indirectly nationalized, expropriated, or subjected to measures having effect equivalent to nationalization or expropriation, in the territory and maritime zones of the either Contracting State, except for a public purpose in the national interest of that State, for adequate and fair compensation, according to legal procedures and on condition that such measures are taken on a non-discriminatory basis and in accordance with due process of law.
- (iii) Such compensation shall be computed in accordance with the legal procedures in force in the Contracting State in which the right to compensations arises on the basis of the market value applicable to the investment immediately at the moment when the nationalization or expropriation was announced or became publicly known. Where the market value cannot be readily ascertained, the compensation shall be determined on equitable principles taking into account, *inter alia*, the capital invested, depreciation, capital already repatriated, replacement value, goodwill and other relevant factors. The compensation shall include interest at the current six month LIBOR rate of interest, from the date of nationalization or expropriation until the date of payment. The determination of the compensation in the absence of agreement being reached between the investors and the host State, shall be referred to the settlement procedures in accordance with Article 9 of this Agreement. The compensation finally determined shall be promptly paid and allowed to be repatriated.
- (iv) Where a Contracting State nationalizes or expropriates the investment of a juridical person which is established or licenced, under the law in force, in its territory and maritime zones, and in which the other Contracting State or any of its natural or juridical persons owns shares, stocks, debentures or other rights or interests, it shall-according to legal procedures - ensure that adequate and fair compensation is received and allowed to be repatriated. Such compensation shall be determined in accordance with the legal procedures in force in the Contracting State in which the right to compensations arises on the basis of the market value applicable to the investment immediately at the moment when the decision for nationalization or expropriation was announced or became publicly known. The compensation shall include interest at the current six month LIBOR rate of interest from the date of nationalization or expropriation until the date of payment.

(2) The provisions of paragraph (1) of this Article shall also apply to the current income from an investment as well as, in the event of liquidation, to the proceeds from the liquidation.

ARTICLE 6

Repatriation of Capital and Returns

(1) Each Contracting State shall guarantee, without undue delay and after the performance of all fiscal obligations the transfer in any convertible currency of:

- (a) the net profits, dividends, royalties, technical assistance and technical service fees, interest and other current income, accruing from any investment by an investor of the other Contracting State;
- (b) the proceeds accruing from the total or partial sale or total or partial liquidation of any investment made by an investor of the Contracting State;
- (c) funds in repayment of borrowings;
- (d) the earnings of nationals of the other Contracting State deriving from their work and service in connection with an investment in its territory and maritime zones, in accordance with its national laws and regulations.

(2) Without restricting the generality of Article (3) of this Agreement, the Contracting States undertake to accord to transfers referred to in paragraph (1) of this Article a treatment as favourable as that accorded to transfers originating from investments made by investors of any Third State.

ARTICLE 7

Subrogation

In case one Contracting State has granted any guarantee against non-commercial risks in respect of an investment by its investor in the territory and maritime zones of the other Contracting State, and has made payment to such investor under said guarantee, the other Contracting State shall recognize the transfer of the right of such investor to the first mentioned Contracting State, and the subrogation of that State shall not exceed the original rights of such investor. As regards the transfer of payments to be made to the Contracting State by virtue of such subrogation Articles (4), (5) and (6), shall apply respectively.

ARTICLE 8

Exchange Rates

For the purposes of this Agreement, the exchange rates shall be determined according to the prevailing rate existing in each Contracting State at the date the transfer is made.

ARTICLE 9

Settlement of Investment Disputes

(1) All kinds of disputes or differences, including disputes over the amount of compensation for expropriation, nationalizations or similar measures, between one Contracting State and an investor of the other Contracting State concerning an investment of that investor in the territory and maritime zones of the former Contracting State shall, if possible, be settled amicably.

(2) If such disputes or differences cannot be settled according to the provisions of paragraph (1) of this Article within six months from the date of request for settlement, the investor concerned may:

- (a) submit the dispute to the competent court of the Contracting State for decision;
- (b) initiate proceedings for arbitration, in accordance with the United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL). The Arbitral Tribunal shall consist of three arbitrators. Each party shall select an arbitrator. These two arbitrators shall appoint by mutual agreement a President, who shall be a national of a third State. The arbitrators shall be appointed within two months from the date when one of the parties to the dispute informed the other of its intention to submit the dispute to arbitration.

If the appointments are not made within the period mentioned above, either party may invite the Secretary General of the Permanent Court of Arbitration to make the required appointment.

Any decision on any proposal to disqualify an arbitrator shall be taken by the other members of the Tribunal, provided further that where those members are equally divided, or in the case of a proposal to disqualify a sole arbitrator or a majority of the arbitrators, the Secretary-General of the Permanent Court of Arbitration shall take the decision. Any challenges shall be made promptly after the appointment of the third arbitrator.

The Arbitral Tribunal shall reach its decision by a majority of votes. Its award shall be final and binding on both parties to the dispute, and shall be enforced by both parties to the dispute in accordance with their domestic laws.

- 3) Neither Contracting State shall pursue through diplomatic channels any matter referred to arbitration until the proceedings have terminated and a Contracting State has failed to abide by, or to comply with, the award rendered by the Arbitral Tribunal.

ARTICLE 10

Settlement of Disputes between Contracting States

(1) Disputes between the Contracting States concerning the interpretation and application of this Agreement shall be settled, as far as possible, through friendly consultation by both States through diplomatic channels.

(2) If such disputes cannot be so settled within three months from the date on which either Contracting State informs in writing the other State, they shall, upon the request of either Contracting State, be submitted to an *ad hoc* Arbitral Tribunal, in accordance with the provisions of this Article.

(3) The Arbitral Tribunal shall be constituted in the following way. Within two months from the receipt of the request for arbitration, each Contracting State shall appoint one member of the Tribunal. The two members shall then select a national of a third State who shall act as Chairman (hereinafter referred to as the Chairman). The Chairman shall be appointed within three months from the date of appointment of the other two members.

(4) If, within the periods specified in paragraph (3) of this Article, either Party shall not have appointed its arbitrator or the two arbitrators shall not have agreed on the Chairman, a request may be made to the Secretary General of the Permanent Court of Arbitration to make the appointment. If he happens to be a national of either Contracting State, or if he is otherwise prevented from discharging the said function, the First Secretary of the Bureau shall be invited to make the appointment. If the First Secretary of the Bureau also happens to be a

national of either Contracting State, or is prevented from discharging the said function, the most senior Deputy, who is not a national of either Contracting State, shall be invited to make the appointment.

(5) The Arbitral Tribunal shall reach its decision by a majority of votes. Such decision shall be binding. Each Contracting State shall bear the cost of its own arbitrator and its counsel in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting States. The Arbitral Tribunal shall determine its own procedure.

ARTICLE 11

Relations between Contracting States

The provisions of the present Agreement shall apply irrespective of the existence of diplomatic or consular relations between the Contracting States.

ARTICLE 12

Application of Other Rules

(1) Where a matter is governed both by this Agreement and by another international agreement to which both Contracting States are Parties, or general international law, nothing in this Agreement shall prevent either Contracting State, or any of its natural or juridical persons who owns investments in the territory and maritime zones of the other Contracting State, from taking advantage of whichever rules are more favourable to his case.

(2) If the treatment to be accorded by one Contracting State to investors of the other Contracting State, in accordance with its laws and regulations or other specific provisions or contracts, is more favourable than that accorded by this Agreement, the more favourable treatment shall be accorded.

ARTICLE 13

Entry into Force

This Agreement shall enter into force immediately.

ARTICLE 14

Duration and Termination

(1) This Agreement shall remain in force for a period of fifty years, and shall continue in force thereafter for another similar period, or periods, unless denounced in writing by either Contracting State one year before its expiration.

(2) In respect to investments made prior to the date of termination of the present Agreement, the provisions of Articles (1) to (12) shall continue to be effective for a further period of fifteen years from the date of termination of the present Agreement.

Done in Jerusalem on [13 May 34BC], in duplicate, in the Greek, Hebrew and English languages, all texts being equally authentic.

In case of any divergency, the English text shall prevail.