[TRANSLATION — TRADUCTION]

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE SULTANATE OF OMAN AND THE GOVERNMENT OF THE FRENCH REPUBLIC ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Sultanate of Oman and the Government of the French Republic, hereinafter referred to as "the Contracting Parties",

Desiring to reinforce economic cooperation between the two States and to create favourable conditions for Omani investments in France and for French investments in Oman,

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

DEFINITIONS

For the purpose of this Agreement:

1. The term "investment" shall apply to all property, rights and interests of any category and, particularly but not exclusively, to:

(*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 constituted in the territory of one Contracting Party;

(*c*) Bonds, claims and rights to any benefit having an economic value;

(*d*) Copyrights, industrial property rights (such as patents for inventions, licenses, registered trade marks, industrial models and designs), technical processes, registered trade names and goodwill;

(*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 maritime zones of the Contracting Parties,

It being understood that the said investments shall be or shall have been invested in accordance with the legislation of the Contracting Party in whose territory or maritime zone the investment is made, before or after the entry into force of this Agreement.

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 to the legislation of the Contracting Party in whose territory or maritime zone the investment is made.

[1] Came into force on 4 July 1996 by notification, in accordance with article 12.

2. The term "nationals" shall apply to individuals having the nationality of one Contracting Party.

3. The term "company" shall apply to any body corporate constituted in the territory of one Contracting Party in accordance with its legislation and having its registered office there or controlled, directly or indirectly, by nationals of one Contracting Party or by bodies corporate having their registered office in the territory of one Contracting Party and constituted in accordance with that Party's legislation.

4. The term "income" shall mean all the amounts yielded by an investment, including investments in technical and assistance services, such as profits, royalties, capital gains, dividends, fees or interest.

Income from an investment and, in the event of reinvestment, income from its reinvestment shall enjoy the same protection as the investment itself.

5. This Agreement shall be applicable to the territory of each Contracting Party and to the maritime zone of each Contracting Party, hereinafter defined as the economic zone and the continental shelf, which extend beyond the limit of the territorial waters and over which it exercises, in accordance with international law, sovereign rights and jurisdiction for the purposes of prospecting, developing and preserving natural resources.

Article 2

PERMISSION FOR AND PROMOTION OF INVESTMENTS

Each Contracting Party shall permit and promote, in accordance with its legislation and with the provisions of this Agreement, investments made in its territory and maritime zone by nationals and companies of the other Party.

Article 3

JUST AND EQUITABLE TREATMENT

Each Contracting Party undertakes to accord in its territory and maritime zone just and equitable treatment, in conformity 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*. In particular, but not exclusively, the following shall be considered as *de jure* or *de facto* impediments to just and equitable treatment: any restrictions on the purchase or transportation of raw materials and seeondary materials, energy and fuel, and of means of production and operation of all kinds, any impediment to the sale or transportation of goods within the country and abroad, and any other measures having a similar effect;

The Contracting Parties, within the framework of their domestic legislation, shall give favorable consideration to applications for entry, stay, work and travel made by nationals of one Contracting Party in connection with an investment made in the territory or the maritime zone of the other Contracting Party.

Article 4

NATIONAL OR MOST-FAVOURED NATION TREATMENT

Each Contracting Party shall, in its territory and maritime zone, accord to nationals or companies of the other Party in respect of their investments and activities in connection with such investments, treatment which is no less favourable than that accorded to its nationals or companies. Such treatment shall be no less favourable than the treatment accorded to nationals or companies of the most-favoured nation. For this purpose, nationals who are authorized to work in the territory and the maritime zone of either Contracting Party shall be entitled to enjoy the material facilities appropriate for the exercise of their professional activities.

Such treatment shall not, however, include privileges which may be extended by a Contracting Party to the nationals or companies of a third State by virtue of its participation in or association with a free-trade area, customs union, common market or any other form of regional economic organization.

The provisions of this article shall not apply to fiscal matters.

Article 5

DISPOSSESSION

1. Investments made by nationals or companies of either Contracting Party shall be fully and completely protected and safeguarded in the territory and maritime zone of the other Contracting Party.

2. 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 their territory and maritime zone, except for reasons of public necessity and on condition that such measures are not discriminatory or contrary to a specific undertaking.

Any dispossession measures taken shall give rise to the payment of prompt and adequate compensation the amount of which, calculated in accordance with the real value of the investments in question, shall be assessed on the basis of a normal economic situation prior to any threat of dispossession.

The amount and methods of payment of such compensation shall be determined not later than the date of dispossession. The compensation shall be effectively realizable, paid without delay and freely transferable. It shall yield, up to the date of payment, interest calculated on the basis of the appropriate market interest rate.

3. Nationals or companies of one Contracting Party whose investments have suffered losses as a result of war or any other armed conflict, revolution, state of national emergency or uprising in the territory or maritime zone of the other Contracting Party shall be accorded, by the latter Party, treatment which is no less favourable than that accorded to its own nationals or companies or to those of the most-favoured nation.

Article 6

TRANSFERS

A Contracting Party in whose territory or maritime zone investments have been made by nationals or companies of the other Contracting Party shall accord to the said nationals or companies freedom of transfer of:

(*a*) Interest, dividends, profits and other current income;

(*b*) Royalties deriving from the intangible property listed in article 1, subparagraphs 1 (*d*) and 1 (*e*);

(*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 of the invested capital;

(*e*) The compensation for dispossession or loss provided for in article 5, paragraphs 2 and 3, above.

Nationals of each Contracting Party who have been authorized to work in the territory or maritime zone of the other Contracting Party in connection with an approved investment shall also be authorized to transfer to their country of origin an appropriate proportion of their remuneration.

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 7

GUARANTEE OF INVESTMENTS

Insofar 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 nationals or companies of that Party in the territory or maritime zone 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 or maritime zone of the other Party unless the investments have been granted prior approval by the latter Party.

Article 8

SETTLEMENT OF DISPUTES BETWEEN AN INVESTOR AND A CONTRACTING PARTY

Any dispute relating to investments between one Contracting Party and a national or company of the other Contracting Party shall be settled amicably between the two parties concerned.

If any such dispute cannot be settled within six months of the time when a claim is made by one of the parties to the dispute, the dispute shall, at the request of either party, be submitted for arbitration to the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of

Investment Disputes between States and Nationals of Other States, signed at Washington on 18 March 1965.[1]

Article 9

SUBROGATION

When one Contracting Party, by virtue of a guarantee issued in respect of an investment in the territory or maritime zone of the other Party, makes payments to one of its own nationals or companies, it shall thereby be subrogated to the rights and shares of the said national or company.

Such payments shall be without prejudice to the right of the beneficiary of the guarantee to have recourse to ICSID or to pursue actions brought before that body until the procedure has been completed.

Article 10

SPECIFIC UNDERTAKING

Investments which have been the subject of a specific undertaking by one Contracting Party vis-à-vis nationals or companies of the other Contracting Party shall be governed, without prejudice to the provisions of this Agreement, by the terms of that undertaking, insofar as its provisions are more favourable than those laid down by this Agreement.

Article 11

SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING PARTIES

1. Disputes concerning the interpretation or application of this Agreement shall, as far as possible, be settled through the diplomatic channel.

2. If a dispute cannot be settled within six months of the time when a claim is made by one Contracting Party, it shall be submitted, at the request of either Contracting Party, to an arbitral tribunal.

3. The tribunal shall, in each separate case, be constituted as follows:

Each Contracting Party shall designate one member, and the two members shall, by agreement, designate a third member, who shall be a national of a third State and who shall be appointed Chairman of the tribunal by the two Contracting Parties. All the members shall be appointed within two months of the date on which one Contracting Party notifies the other Contracting Party of its intention to submit the dispute to arbitration.

4. If the time limits established in paragraph 3 above are not observed, one Contracting Party shall, in the absence of any other agreement, invite the Secretary-General of the United Nations to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or if, for any other reason, he is prevented from performing that function, the most senior Under-Secretary-General

[1] United Nations, *Treaty Series*, vol. 575, p. 159.

shall, provided that he is not a national of either Contracting Party, make the necessary appointments.

5. The arbitral tribunal shall take its decisions by majority vote. Such decisions shall be final and binding on the Contracting Parties.

The tribunal shall adopt its own rules of procedure. It shall interpret its award at the request of either Contracting Party. Unless the tribunal decides otherwise, taking particular circumstances into consideration, the costs of arbitration, including leave for the arbitrators, shall be divided equally between the Contracting Parties.

Article 12

ENTRY INTO FORCE AND PERIOD OF VALIDITY

Each Party shall notify the other of the completion of the respective constitutional or legal procedures required for the entry into force of this Agreement, which shall take place one month after the date of receipt of the last such notification.

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

Upon expiry of the validity of this Agreement, investments made while it was in force shall continue to be protected by its provisions for an additional period of 20 years.

Done at Muscat on 17 October 1994, in two originals, each in Arabic and French, both texts being equally authentic.

For the Government
of the Sultanate of Oman:

YOUSOUS BIN ALAWI

For the Government
of the French Republic:

ALAIN JUPPÉ