

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

AND

THE GOVERNMENT OF THE REPUBLIC OF POLAND

FOR

THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the United Arab Emirates and the Government of the Republic of Poland (both countries hereinafter collectively referred to as the Contracting States and each referred to as a Contracting State).



Desiring to create favourable conditions for greater economic cooperation between them and particularly for investments by investors of one Contracting State in the territory of the other Contracting State.

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

Have agreed as follows:-

ARTICLE (1)
Definitions

For the purposes of this Agreement:-

(1) The term 'investment' shall comprise every kind of asset invested by the Government or by a natural or juridical person of one Contracting State in the territory of the

other Contracting State in accordance with the laws, regulations and administrative practices of that State. Without restricting the generality of the forgoing 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, loans related to investments and bonds issued by a Contracting State or any of its natural or juridical persons and returns retained for the purpose of re-investments;

(c) liquid assets, deposits and claims to money or to any performance under contract having economic and financial values associated with an investment;

(d) the copyrights, trademarks, patents, industrial designs and other industrial property rights, know-how, trade secrets, trade names and goodwill;

(e) any right conferred by law, administrative decisions or contract, including license and permits issued persuant to law, which have an economic value and are necessary for conducting economic activity such as rights to prospect, explore, extract, win or utilize natural resources, and rights to manufacture, use and sell products.



Any alteration of the form in which assets are invested shall not affect their classification as investments, provided that such alteration is not contrary to the admission, if any, granted in respect of the assets originally invested.

(2) The term 'investor' shall mean the Government of a Contracting State or any of its natural or juridical persons who invest in the territory of the other Contracting State.

(3) The 'natural person' shall mean in either of the Contracting State an individual possessing the nationality of that Contracting 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 juridical person by the law of that Contracting State, such as public and private companies, corporations, business associations, authorities, partnerships, foundations, firms, institutions, establishments, agencies, development funds, enterprises, cooperatives and organizations or other similar entities 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, interest, capital gains, share dividends, royalties, management, technical assistance or other fees irrespective of the form in which the return is paid.

(6) The term 'territory' means the territory of the Republic of Poland or the territory of the United Arab Emirates respectively, as well as those maritime areas, including the sea bed and the subsoil adjacent to the outer limit of the territorial sea of either of the above territories over which the State concerned exercises in accordance with the international law, sovereign rights for the purpose of exploration of natural recourses of such areas.

(7) 'Associated activities' include the organization, control, operation, maintenance and disposal of juridical persons, branches, agencies, offices, factories or other facilities for the conduct of business; making, performance and enforcement of contracts; the acquisition, use, protection and disposition of property of all kinds, including intellectual and industrial property rights; and the borrowing of funds, the purchase and issuance of equity shares and the purchase of foreign exchange for imports.



(8) The term 'freely usable currency' means currency that is widely used to make payments for international transactions and for which there are ready buyers in the principal exchange markets such as United States Dollars, Pound Sterlings, Deutsche Marks, Swiss Francs, French Francs.

ARTICLE 2
Promotion And Protection Of Investments

(1) Each Contracting State shall encourage and create favourable conditions for investors of the other Contracting State to make investments in its territory and, in exercise of powers conferred by its laws, regulations and administrative practices shall admit such investments and their assotiated activities.

(2) Once established, investments shall at all times enjoy full protection and security, in a manner consistent with international law.

(3) 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, maintenence, use, enjoyment, acquisition or disposal of investments or rights related to investment and its associated activities in its territory of investors of the other Contracting State



shall not in any way be subjected to or impaired by arbitrary, unreasonable or discriminatory measures.

(4) i) Each Contracting State shall endeavour to take the necessary measures in accordance with its legislation for granting of appropriate facilities,incentives and other forms of encouragement for investments made by investors of the other Contracting State.

ii) Investors of either Contracting State shall be entitled to apply to the competent authorities in the host State for the appropriate facilities, incentives and other forms of encouragement and the host State shall grant them all assistance,consents, approvals, licences and authorizations to such an extent and on such terms and conditions as shall, from time to time, be determined by the laws and regulations of the host State.

(5) With respect to its tax policies, each Contracting State should strive to accord fairness and equity in the treatment of investment of investors of the other Contracting State, in accordance with the foreign investments law.

(6) The Contracting States shall periodically consult between themselves concerning investment opportunities within the territory 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.



(7) To attain the objectives of this Agreement, the Contracting States shall encourage and facilitate the formation and establishment of the appropriate joint ventures between the investors of the Contracting States to establish, develop and execute investment projects in different economic sectors in accordance with the laws and regulations of the host State.

(8) Investors of either Contracting State shall be permitted to engage top managerial personnel of their choice regardless of nationality to the extent permitted by the laws of the host State. The Contracting States shall make available all necessary facilities including the issuance of visas and permits of stay to such managerial personnel and to their families in accordance with the laws, regulations and administrative practices of the two Contracting States.

(9) Contracting State shall seek as far as practicable to avoid performance requirements as a condition of establishment, expansion or maintenance of investments, which require or enforce commitments to export goods produced or which specify that goods or services must be purchased locally, or which impose any other similar requirements.

(10) Each Contracting State shall undertake to provide effective means of asserting claims and enforcing rights



with respect to investment Agreement, investment authorizations and properties.Each Contracting State shall not impair the right of the investors of the other Contracting State to have access to its courts of justice, administrative tribunals and agencies and all other bodies exercising adjudicatory authority.

(11) Each Contracting State shall make public all laws, regulation, administrative practices and procedures that pertain to or affect investments.

ARTICLE 3

National and Most-Favoured-Nation Treatment

(1) Each Contracting State shall in its territory accord investments and returns of investors of the other Contracting State treatment not less favourable than that which it accords to investments and returns of its own investors or to investments and returns of investors of any third State if the latter is more favourable.

(2) Each Contracting State shall in its territory accord investors of the other Contracting State, as regards management, maintenance, use, enjoyment, acquisition or disposal of their investments, or any other assotiated activities therewith, treatment not less favourable than that which it accords to its own investors or to investors of any third State if the latter is more favourable.



ARTICLE 4
Exceptions

The provisions of this Agreement relating to the granting of treatment not less favourable than that accorded to its own investors or the investors of any third State shall not be construed so as to oblige one Contracting State to extend to the investors of the other Contracting State the benefit of any treatment, preference or privilege resulting from:-

i) any existing or future customs union, an economic union or free trade area or a common external tariff area or a monetary union or similar international agreement or other forms of regional or sub-regional cooperation arrangements to which either of the Contracting States is or may become a party; or

ii) any international or regional or sub-regional agreement or other arrangement relating wholly or mainly to taxation or movement of capital or any domestic legislation relating wholly or mainly to taxation.

ARTICLE 5
Compensation for Damage or Loss

(1) Investors of one Contracting State whose investments in the territory of the other Contracting State suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection, riot or other similar events in the territory of the latter



Contracting State shall be accorded by the latter Contracting State a treatment, as regards restitution, indemnification, compensation or other settlement, not less favourable than that which the latter Contracting State accords to its own investors or to investors of any third State if the latter is more favourable. Such payment shall be freely transferable.

(2) Without prejudice to Paragraph (1) of this Article, investors of one Contracting State who in any of the events referred to in that paragraph suffer damages or losses in the territory of the other Contracting State resulting from:

(a) requisition of their investment or property by its forces or authorities,

(b) destruction of their investment or property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

shall be accorded prompt and adequate compensation for the damages or losses sustained during the period of requisitioning or as a result of the destruction of the property. Resulting payments shall be made in freely usable currency and freely transferable without delay.

ARTICLE 6
Nationalization or Expropriation

(1) i) Investments of either Contracting State or its natural or juridical persons shall not be subject to sequestration, confiscation or any similar measures



and shall enjoy full and complete protection and safety in the territory of the other Contracting State.

ii) neither Contracting States shall take any measures of expropriation or nationalization or freezing or any other measures having effect of this position or to subject the investment to any measures direct or indirect tantamount to expropriation including the leving of taxes, the compulsory sale of all or part of an investment or the impairment or deprivation or its management or control. All such actions refer to as expropriation except when the expropriation:

(a) is done for public purpose,

(b) is accomplished under due procedures of law,

(c) is not discriminatory,

(d) does not violate any specific provision or contractual stability or expropriation contains in an investment agreement between the natural and juridical persons concerned and the party making the expropriation,

(e) it is in accordance with a decission of a competent administrative or judicial body,

(f) the investor shall have the right to refer to the administrative or judicial bodies to make sure that expropriation has been made in accordance with the principles of the international law,

(g) the investor shall have the right to contest against the expropriation or any such measures to the competent court of the Contracting State which have taken these measures,

(h) is accompanied by prompt, adequate and effective compensation.

(2) Such compensation shall be computed on the basis of the market value of the investment immediately prior to the moment of time when the decision for nationalization or expropriation was announced or become publicly known and shall be determined in accordance with recognised principles of valuation such as market value; where the market value cannot be readily ascertained, the compensation shall be determined on equitable principles taking into account, interalia, the capital invested, depreciation, capital already repatriated, replacement value, goodwill and other relevant factors. In the event that payment of compensation is delayed, such compensation shall be paid in an amount which would put the investor in a position no less favourable than the position in which he would have been had the compensation been paid immediately after the date of expropriation or nationalization. To achieve this goal the compensation shall include an appropriate interest at a commercially reasonable rate as agreed upon by both Contracting States or at such rate as prescribed by law, for the currency in which the investment is denominated from the date of nationalization or expropriation until the date of payment.

(3) When 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 in which the other Contracting State or any of its investors owns shares, stocks, debentures or other rights of interest, it shall ensure that prompt, adequate and effective compensation is received and allowed to be repatriated.

Such compensation shall be determined and paid in accordance with the provisions of Paragraph (2) of this Article.



ARTICLE 7
Repatriation of Capital and Returns

(1) Each Contracting State shall guarantee without delay the transfer out of its territory in freely usable currency of:-

(a) the net profits, dividends, royalties, technical assistance and technical service fees, interest and other returns, accruing from any investment made by an investor of the other Contracting State;

(b) the proceeds accruing from the sale, total or partial liquidation of any investment made by an investor of the other Contracting State;

(c) funds in repayment of borrowings;

(d) sums appropriated for coverage of expenses connected with the maintenance of investment.

(e) the net earnings of the nationals who are allowed to work in the investment made in the territory of the other Contracting State;

(f) capital and additional funds for the maintenance and the development of the investment.

(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 a third State.



(3) The exchange rates applicable to such transfers in paragraph (1) of this Article shall be the rate of exchange prevailing at the date of transfer.

(4) The term "without delay" means the transfers made within a period normally required to prepair the formalities of transfer. The time runs from the date when the application together with necessary documents were submitted, in the proper way, to the competent authorities and should not exceed, in any circumstances, a period of two months.

ARTICLE 8
Subrogation

(1) If a Contracting State (or its designated Agency) makes payment to any of its investors under an indemnity or a guarantee it has granted in respect of an investment or any part thereof in the territory of the host State, or has otherwise become subrogated to any of the rights of such investors with respect to such investment, the host State shall recognize:-

(a) the right of the other Contracting State (or its designated Agency) arising from the assignment, indemnity or other subrogation, whether under law or pursuant to a legal transaction, and



(b) that the other Contracting State (or its designated Agency) is entitled by virtue of subrogation to enforce such right as its predecessor in title.

(2) The other Contracting State shall however recognize the right of the host State to deduct any unpaid taxes and other charges due from the investor.

(3) If such other Contracting State acquires any amounts in such manner as above, it shall be accorded in respect thereof a treatment not less favourable than that accorded to the funds of investors of the host State or of a third State deriving from investments or associated activities similar to those in which the party indemnified was engaged.

ARTICLE 9
Settlement of Investment Disputes

(1) Any dispute concerning an investment between a Contracting State and an investor of the other Contracting State shall, as far as possible, be settled amicably between the parties to the dispute.

(2) If the dispute cannot be setteled according to the provisions of paragraph (1) within six monthes from the date of request for settlement, the parties to the dispute may proceed as follows:



(a) the dispute shall be setteled in accordance with applicable dispute - settlement procedures upon which the parties to the dispute have previously agreed;

(b) a dispute concerning expropriation, nationalisation and compensation under Article (6) and transfers under Article (7) shall, upon the request of the investor be submitted for settlement to an ad hoc International Arbitral Tribunal;

(c) in the event of a dispute not referred to in sub - paragraph (b) of paragraph (2), the dispute shall be submitted, after exhausting all local remedies, to an ad hoc International Arbitral Tribunal.

(3) The ad hoc International Arbitral Tribunal shall be established for each case in the following way:

(a) The Arbitral Tribunal shall consist of three arbitrators. Each party shall select arbitrator. These two arbitrators shall appoint by mutual agreement a Chairman who shall be a national of a third State which has diplomatic relations with both Contracting States. The arbitrators shall be appointed within two monthes from the date when one of the parties to the dispute informed the other of its intentions to submit the dispute to arbitration. If the appointments are not made within the period



mentioned above, either party may invite the Chairman of the Arbitration Institute of the Stockholm Chamber of Commerce to make the required appointment within two months.

(b) The Arbitral Tribunal which shall normally sit and render its award in Sweden may also hear evidence and hold meetings in such other places as it may deem appropriate. The proceedings shall be conducted in the English language provided that, where it deems necessary or conducive to reaching a just decision, the Tribunal may hear any evidence or admit any document in another language. Provided further that in such case the Tribunal shall cause to be made available a reliable translation in the English language.

(c) 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.

(d) The Arbitral Award shall be made in accordance with the domestic laws, including the rules of conflict of the Contracting State which accepts the investments and in accordance with the provisions of this Agreement as well as the principles of international law generally recognized and adopted by both Contracting States.

(e) Each party to the dispute shall bear the cost of its own arbitrator and of its counsel in the arbitration



proceedings. The cost of the Chairman and the remaining costs of the arbitral tribunal shall be borne in equal parts by both parties to the dispute, unless the tribunal decides otherwise.

(4) In case both Contracting States have become parties to the Convention on the settlment of investment disputes between States and Nationals of other States, opened for signature at Washington D.C. on 18 March 1965, disputes under this Article shall be submitted for settlement by conciliation or arbitration to the International Center for the Settlement of Investment Disputes.

(5) In any proceedings, judicial, arbitral or otherwise, concerning an investment dispute between it and an investor of the other Contracting State, a Contracting State shall not assert, as a defense, its immunity. Any counter - claim, or right of set - off may not be based on the fact that the investor concerned has received or will receive, pursuant to an insurance contract, indemnification or other compensation for all or part of its alleged damages from any third party whatsoever, whether public or private, including such other Contracting State, its subdivisions, agencies and instrumentalities. Notwithstanding the foregoing, an investor of the other Contracting State shall not be entitled to compensation for more than the value of its affected assets, taking into account all sources of compensation within the territory of the State liable for the compensation.



(6) Neither Contracting States 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) Should any disputes arise concerning the interpretation or application of this Agreement the Governments of the Contracting States shall try to settle them through diplomatic channels.

(2) If the disputes cannot be so settled within six months after the beginning of the dispute 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 three months from the receipt of the request for arbitration, each Contracting State shall appoint one arbitrator. The two arbitrators shall then select a national of a third State who, on the approval by the two Contracting States, shall act as Chairman of the Tribunal (hereinafter referred to as the Chairman). The Chairman shall be appointed within three months from the date of appointment of the other two arbitrators.



(4) If within the period specified in Paragraph (3) of this Article either Contracting State shall not have appointed its arbitrator or the two arbitrators shall not have agreed on the Chairman, a request may be made to the President of the International Court of Justice 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 Vice-President shall be invited to make the appointment. If the Vice_President also happens to be a national of either Contracting State or is prevented from discharging the said function, the member of the International Court of Justice next in seniority 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.
Unless the Contracting States decided otherwise the tribunal shall determine its own procedure.

ARTICLE 11

Application to investments

This Agreement shall apply to investments made in the territory of either Contracting State in accordance with its



legislation or rules or regulations by investors of the other Contracting State after the 2nd of Decemberer 1971.

ARTICLE 12
Relation between Governments

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

ARTICLE 13
Application of Other Rules and Special Commitments

(1) Where a matter is governed simultaneously both by this Agreement and by other agreements to which both the Contracting States are parties or general principles of law commonly recognized by both Contracting States or domestic law of the host State, nothing in this Agreement shall prevent either Contracting State or any of its investors who own investments in the territory of the other Contracting State from taking advantage of whichever rules are the more favourable to their cases.

(2) Investments subject to special contracts or commitments undertaken by one Contracting State with respect to the investors of the other Contracting State shall be governed, notwithstanding the provisions of this Agreement , by the terms of these contracts and commitments insofar as their provisions are more



favourable than those provided by this Agreement.

ARTICLE 14
Entry into Force

This Agreement shall enter into force ten (10) days after the latter date on which either Contracting State notifies the other that its domestic laws requirements for the entry into force of this Agreement have been fulfilled.

ARTICLE 15
Duration and Termination

(1) This Agreement shall remain in force for a period of ten (10) years. Thereafter, it shall remain in force until the expiration of twelve months from the date that either Contracting State in writing notifies the other Contracting State of its intention to terminate this Agreement.

(2) In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective the provisions of this Agreement shall continue to be in force for a period of ten years from the date of termination of this Agreemnt.



Done at Abu Dhabi on 31st of January 1993 corresponding to Shaban 1413 H. in duplicate in Arabic, Polish and English languages, all texts being equally authentic. In case of divergence, the English text shall prevail.