AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE
AND
THE GOVERNMENT OF THE KINGDOM OF BAHRAIN
ON
THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Singapore and the Government of the Kingdom of Bahrain (each hereinafter referred to as a "Contracting Party");

DESIRING to create favourable conditions for greater economic co-operation between them and in particular for investments by investors of one State in the territory of the other State based on the principles of equality and mutual benefit;

RECOGNISING that the encouragement and reciprocal protection of such investments will be conducive to stimulating business initiative and increasing prosperity in both States;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

DEFINITIONS

For the purposes of this Agreement:

1. The term "investment" means every kind of asset permitted by each Contracting Party in accordance with its laws and regulations, including, though not exclusively, any:

   (a) movable and immovable property and other property rights such as mortgages, liens or pledges and any other similar rights;

   (b) shares, stocks, debentures and similar interests in companies;

   (c) claims to money or to any performance under contract having an economic value;

   (d) intellectual property rights and goodwill; and

   (e) business concessions conferred by law or under contract, including any concession to search for, cultivate, extract or exploit natural resources.

2. The term "returns" means monetary returns yielded by an investment including any profits, interest, capital gains, dividends, royalties or fees.

3. The term "investor" means:

   (a) in respect of the Republic of Singapore:

      (i) any person who is a citizen of Singapore within the meaning of the Constitution of the Republic of Singapore;

      (ii) any company, firm, association or body, with or without legal personality, incorporated, established or registered under the laws in force in the Republic of Singapore.

   (b) in respect of the Kingdom of Bahrain:

      (i) natural persons deriving their status as nationals of the Kingdom of Bahrain according to its applicable laws;

(ii) corporations, firms or business associations incorporated or constituted under the laws in force in the Kingdom of Bahrain.

4. The term "freely convertible currency" means any currency that is widely used to make payments for international transactions and widely traded in the principal international exchange markets.

5. The term "territory" means the territory of each Contracting Party as well as the exclusive economic zone, the seabed and subsoil, over which the Contracting Party exercises, in accordance with international law, sovereign rights or jurisdiction.

6. For the purposes of this Agreement a change in the form in which assets are utilised as investments does not affect their character as investments provided that the change is in line with the laws of the Contracting Party in the territory of which the investments are made.

ARTICLE 2

APPLICABILITY OF THIS AGREEMENT

1. This Agreement shall only apply:

(a) in respect of investments in the territory of the Republic of Singapore, to all investments made by investors of the Kingdom of Bahrain, which are specifically approved in writing by the competent authority designated by the Government of the Republic of Singapore and upon such conditions, if any, as it shall deem fit;

(b) in respect of investments in the territory of the Kingdom of Bahrain, to all investments made by investors of the Republic of Singapore in accordance with its laws and regulations.

2. The provisions of the foregoing paragraph shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement, but shall not apply to any dispute concerning an investment which arose, or any claim which was settled, before its entry into force.

ARTICLE 3

PROMOTION AND PROTECTION OF INVESTMENTS

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to invest in its territory.

2. Investments made or approved under Article 2 shall be accorded fair and equitable treatment and protection in accordance with this Agreement.

ARTICLE 4

MOST FAVOURED NATION PROVISION

Neither Contracting Party shall in its territory subject investments made or approved in accordance with the provisions of Article 2 or returns of investors of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of investors of any third State.

ARTICLE 5

EXCEPTIONS

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

   (a) any existing or future customs union, free trade area, free trade arrangement, common market, monetary union or similar international agreement or other forms of regional cooperation to which either of the Contracting Parties is or may become a party; or the adoption of an agreement designed to lead to the formation or extension of such a union, area or arrangement; or

   (b) any arrangement with a third State or States in the same geographical region designed to promote regional cooperation in the economic, social, labour, industrial or monetary fields within the framework of specific projects.

2. The provisions of this Agreement shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by any Avoidance of Double Taxation Treaty between the two Contracting Parties and the domestic laws of each Contracting Party.

ARTICLE 6

EXPROPRIATION

1. Neither Contracting Party shall take any measure of expropriation, nationalisation or other measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") against the investment of investors of the other Contracting Party unless the measures are taken for any purpose authorised by law, on a non-discriminatory basis, in accordance with its laws and against compensation which shall be effectively realisable and shall be made without unreasonable delay. Such compensation, shall, subject to the laws of each Contracting Party, be the market value immediately before the expropriation. The compensation shall be freely convertible and transferable.

2. Any measure of expropriation or valuation may, at the request of the investors affected, be reviewed by a judicial or other independent authority of the Contracting Party taking the measures in the manner prescribed by its laws.

3. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the laws in force in any part of its own territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to guarantee compensation as specified therein to such investors of the other Contracting Party who are owners of those shares.

ARTICLE 7

COMPENSATION FOR LOSSES

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, if any, no less favourable than that which the latter Contracting Party accords to investors of any third State. Any resulting compensation shall be freely convertible and transferable.

ARTICLE 8

REPATRIATION

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the free transfer, on a non-discriminatory basis, of their capital and the returns from any investments. The transfers shall be made in a freely convertible currency, without any restriction or undue delay. Such transfers shall include in particular, though not exclusively:

   (a) profits, capital gains, dividends, royalties, interest and other current income accruing from an investment;

   (b) the proceeds of the total or partial liquidation of an investment;

   (c) repayments made pursuant to a loan agreement in connection with an investment;

   (d) license fees in relation to the matters in Article 1(1)(d);

   (e) payments in respect of technical assistance, technical service and management fees;

   (f) payments in connection with contracting projects;

   (g) earnings of investors of the other Contracting Party who work in connection with an investment in the territory of the former Contracting Party.

2. Nothing in paragraph 1 of this Article shall affect the free transfer of compensation paid under Articles 6 and 7 of this Agreement.

ARTICLE 9

EXCHANGE RATE

The transfers referred to in Articles 6 to 8 of this Agreement shall be effected at the prevailing market rate in freely convertible currency on the date of transfer.

ARTICLE 10

LAWS

For the avoidance of any doubt, it is declared that all investments shall, subject to this Agreement, be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

ARTICLE 11

SUBROGATION

1. In the event that either Contracting Party (or any agency, institution, statutory body or corporation designated by it) as a result of an indemnity it has given in respect of an investment or any part thereof makes payment to its own investors in respect of any of their claims under this Agreement, the other Contracting Party acknowledges that the former Contracting Party (or any agency, institution, statutory body or corporation designated by it) is entitled by virtue of subrogation to exercise the rights and assert the claims of its own investors. The subrogated rights or claims shall not be greater than the original rights or claims of the said investor.

2. Any payment made by one Contracting Party (or any agency, institution, statutory body or corporation designated by it) to its investors shall not affect the right of such investors to make their claims against the other Contracting Party in accordance with Article 12.

ARTICLE 12

INVESTMENT DISPUTES

1. Any dispute between investors of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. The party intending to resolve such dispute through negotiations shall give written notice to the other of its intention.

2. If the dispute cannot be thus resolved as provided in paragraph 1 of this Article, within 6 months from the date of the notice given thereunder, then, unless the parties have otherwise agreed, it shall, upon the request of either party to the dispute, be submitted to:

   (a) the competent court of the Contracting Party in the territory of which the investment has been made; or

   (b) conciliation or arbitration by the International Centre for Settlement of Investment Disputes (called "the Centre" in this Agreement) established by the Convention on the Settlement of Investment Disputes between the States and Nationals of Other States opened for signature at Washington on 18 March, 1965 (called "the Convention" in this Agreement); or

   (c) an ad-hoc arbitral tribunal, which, unless otherwise agreed upon by the parties to the dispute, shall be, established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

   In the event that the investor and the Contracting Party each choose a different body for the settlement, the choice of the investor shall prevail.

3 Each Contracting Party hereby consents to the submission of an investment dispute to international conciliation or arbitration and any arbitral award shall be final and binding upon the parties to the dispute.

ARTICLE 13

DISPUTES BETWEEN THE CONTRACTING PARTIES

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through negotiation.

2. If any dispute cannot be thus settled, it shall upon the request of either Contracting Party be submitted to arbitration. The arbitral tribunal (hereinafter called "the tribunal") shall consist of three arbitrators, one appointed by each Contracting Party and the third, who shall be Chairman of the tribunal, appointed by agreement of the Contracting Parties.

3. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one arbitrator, and within two months of such appointment of the two arbitrators, the Contracting Parties shall appoint the third arbitrator.

4. If the tribunal shall not have been constituted within four months of receipt of the request for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a national of either Contracting Party or if he is unable to do so, the Vice-President may be invited to do so. If the Vice-President is a national of either Contracting Party or if he is unable to do so, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party may be invited to make the necessary appointments, and so on.

5. The tribunal shall reach its decision by a majority of votes.

6. The tribunal's decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.

7. Each Contracting Party shall bear the costs of its own member of the tribunal and of its representation in the arbitration proceedings and half the costs of the Chairman and the remaining costs. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Parties, and this award shall be binding on both Parties.

8. Apart from the above the tribunal shall establish its own rules of procedure.

ARTICLE 14

OTHER OBLIGATIONS

1. If the legislation of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties in addition to this Agreement, result in a position entitling investments by investors of the other Contracting Party to treatment more favourable than is provided for by this Agreement, such position shall not be affected by this Agreement.

2. Each Contracting Party shall observe commitments which are consistent with its laws, additional to those specified in this Agreement, entered into by the Contracting Party with investors of the other Contracting Party as regards their investments.

3. Any provision relating to expropriation in investment guarantee agreements entered into by the Republic of Singapore prior to 1991 shall not apply to this Agreement.

ARTICLE 15

ENTRY INTO FORCE, DURATION AND TERMINATION

1. Each Contracting Party shall notify the other Contracting Party of the fulfilment of its internal legal procedures required for the bringing into force of this Agreement. This Agreement shall enter into force on the thirtieth day from the date of notification of the later Contracting Party.

2. This Agreement shall remain in force for a period of fifteen years and shall continue in force thereafter unless, after the expiry of the initial period of fourteen years, either Contracting Party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after it has been received by the other Contracting Party.

3. In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 14 shall remain in force for a further period of fifteen years from that date.

IN WITNESS WHEREOF the undersigned representatives, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Singapore on 27 October 2003, in the Arabic and English languages both texts being equally authentic. In the event of any conflict of interpretation, the English text will prevail.

For the Government
of the Republic of Singapore

GEORGE YONG-BOON YEO
Minister for Trade And
Industry

For the Government
of the Kingdom of Bahrain

ABDULLAH HASSAN SAIF
Minister of Finance And
National Economy