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**Law No. (18) of 2004 ratifying the Convention between the Government of the kingdom of Bahrain and the Government of the Republic of Belarus for the Promotion and Protection of Investments**

We, Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Having reviewed the Constitution;

And the Convention between the Government of the kingdom of Bahrain and the Government of the Republic of Belarus for the Promotion and Protection of Investments signed in Manama on 26 October 2002;

The Shura Council and the Council of Representatives have approved the following Law, which we have ratified and enacted:

**Article (1)**

The Convention between the Government of the kingdom of Bahrain and the Government of the Republic of Belarus for the Promotion and Protection of Investments signed in Manama on 26 October 2002, attached to this Law was ratified.

**Article (2)**

The Ministers - each within his jurisdiction- shall implement the provisions of this Law, and it shall come into force from the day following the date of its publication in the Official Gazette.

**King of the Kingdom of Bahrain**

**Hamad Bin Isa Al Khalifa**

Issued in Riffa Palace:

On: 28 Jumada al-Akhir 1425 A.H.

Corresponding to: 14 August 2004

**Convention between the government of the kingdom of Bahrain and the government of the Republic of Belarus on the promotion and reciprocal protection of investments**

The Government of the Kingdom of Bahrain and the Government of the Republic of Belarus, hereinafter referred to as the (Contracting Parties),

Intending to create favourable conditions for investments made by investors of one Contracting Party in the territory of the other Contracting Party,

Recognizing that the promotion and reciprocal protection of investments under this Convention shall stimulate business initiatives in both States,

Have agreed as follows:-

**Article (1)**

**Definitions**

**For the purposes of this Convention:-**

a) The term (investment) means every kind of asset invested by investors of one Contracting Party in the territory of the other Contacting Party in accordance with the laws and regulations of the latter and shall include in particular, though not exclusively:-

1- Movable and immovable property and any other property rights such as mortgages, liens, pledges and any other similar rights as defined in accordance with the laws and regulations of the Contracting Party in which territory the property is situated.

2- Shares , stocks, debentures and any other forms of participation in companies.

3- Claims to money or to any performance under contract having economic value.

4- Intellectual and industrial property rights (such as copyrights, patents, utility models, industrial designs or models, trade or service marks, trade names, indications of origin), "know-how" and "goodwill" and any other similar rights recognized by both Contracting Parties in accordance with their respective laws and regulations.

5- Concessions conferred by law of the Contracting Party in which territory investments are made, including concessions to search for, cultivate, extract and exploit natural resources.

b) The term (returns) means the amounts yielded by an investment and includes, in particular though not exclusively, profit, dividends, interests, capital gains, royalties and fees.

c) The term (investor) means with regard to either Contracting Party:-

1- Natural persons who are the nationals of one Contracting Party in accordance with its law, and who make investments in the territory of the other Contracting Party.

2- Legal persons, including companies, business associations and other partnerships organizations, which are constituted or otherwise duly organized under the laws of that Contracting Party and have their main office in the territory of that Contracting Party and which make investments in the territory of the other Contracting Party.

d) The term (territory) in respect of either Contracting Party means the territory of the State of the Contracting Party concerned including land, internal waters, territorial sea, seabed and/subsoil and any exclusive economic zone over which the Contracting Party have sovereign rights or jurisdiction in accordance with international law.

e) The terms (laws and regulations), (law/laws) , (nationals) in respect of either Contracting Party mean the law and regulations of the State of the Contracting Party concerned and nationals of the State of the Contracting Party concerned accordingly.

**Article (2)**

**Promotion and Protection of Investments**

Each Contracting Party shall promote and create favourable conditions for investors of the other Contracting Party to make investments in its territory, and shall admit such investments in accordance with its laws and regulations.

Investments of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full legal protection in the territory of the other Contracting Party under this Convention. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its territory of investors of the other Contracting Party.

Each Contracting Party shall observe any obligation it may have entered into with regard to investments of investors of the other Contracting Party.

**Article (3)**

**National and Most Favoured Nation Treatment**

a) Each Contracting Party shall accord in its territory to investments or returns of investors of the other Contracting Party, treatment no less favourable than that which it accords to investment or returns of its own investors or to investment or returns of investors of any third State.

b) Each Contracting Party shall accord in its territory to investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment not less favourable than that which it accords to its own investors or to investors of any third State.

c) The provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

1- Any existing or future free trade area, custom union, common market, or Similar international Convention, including other forms of regional economic cooperation or similar international Convention, to which either of the Contracting Parties is or may become a party, or:

2- Any international Convention which is related wholly or mainly to taxation.

**Article (4)**

**Expropriation**

a) Neither of the contracting parties shall expropriate, nationalize, confiscate, or take any similar actions regarding investments of investors from the other contracting party (hereinafter referred to as "expropriation"), except if such action is taken for the public interest, in accordance with the law, on a non-discriminatory basis, and against the plea of appropriate and equitable compensation. The calculation of this compensation is based on the fair market value of the investment before the notification of the expropriation decision, whichever occurs first: either directly or before the public becomes aware of it.

b) An investor who finds that his investments have suffered losses shall have the right, under the law of the expropriating contracting party, to request an immediate review of the expropriation of his property and the valuation of his investments according to the criteria provided for in this Article by the competent judicial authority or any other neutral authority of that contracting party.

c) It shall be the responsibility of the contracting party expropriating the assets of an enterprise merged or established under the laws in force in any part of its territory and in which investors of the other contracting party own shares to ensure the application of the provisions set forth in paragraph (a) of this Article. This is to ensure the provision of fair and appropriate compensation to such investors in the other Contracting Party holding such shares, commensurate with the size of their investments.

**Article (5)**

**Compensation for Losses**

a) Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, 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, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State. Resulting payments shall be freely transferable.

b) Without prejudice to the provisions of paragraph (a) of this article, compensation for losses in investments invested by investors of one of the contracting parties in the territory of the other contracting party is provided if those losses occurred during any of the cases mentioned in paragraph (a) referred to. By fulfilling a just and compensatory compensation for the damage if those losses resulted from any of the following two reasons:-

1- Confiscation of the property of these investors by the forces or authorities of the contracting party in whose territory the investment took place, or:

2- Destruction or deterioration of such property by the forces or authorities of the contracting party in whose territory the investment took place, unless such measures result from war operations or from an imperative necessity imposed by the situation in progress.

**Article (6)**

**Free Transfers**

a) Each Contracting Party shall guarantee to investors of the other Contracting Party, after they have fulfilled all their fiscal obligations, the free transfer of payments relating to their investments, particularly, though not exclusively:

1- Returns as defined in paragraph (b) Article one of this Convention.

2- Payments made under loan agreements that each of the contracting parties regards as an investment.

3- Payments made to cover investment management expenses.

4- The capital or any additional payments necessary for the maintenance and development of the investment.

5- Revenues from the sale or liquidation of the investment, in whole or in part, including the potential increase value.

6- Compensation under Articles (4) and (5) of this Convention.

b) The transfer referred to in Paragraph (a) of this Article shall be in a freely negotiable currency and at the offer rate prevailing on the date of transfer in the territory of the contracting party in which the investment is located and in accordance with the offer regulations in force therein.

**Article (7)**

**Subrogation**

a) If one Contracting Party or its designated agency makes a payment under an indemnity given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize the assignment to the former Contracting Party or its designated agency by law or by local transaction of all the rights and claims of the party indemnified and that the former Contracting Party or its designated agency is entitled to exercise such rights and enforce such claims by virtue of subrogation to the same extend as the party indemnified.

b) The former Contracting Party or its designated agency shall be entitled in all circumstances to the same treatment in respect of the rights and claims acquired by virtue of the assignment of any payments received in pursuance of those rights and claims as the party indemnified was entitled to receive by virtue of this Convention in respect of the investment concerned and its related returns.

c) Any payments received in non-convertible currency by the former Contracting Party or its designated agency in pursuance of the rights and claims acquired shall be freely available to the former Contracting Party for the purpose of meeting any expenditure incurred in the territory of the latter Contracting Party.

**Article (8)**

**Settlement of Disputes between the Contracting Parties**

a) Disputes between the Contracting Parties regarding the interpretation or application of this Convention shall, as far as possible, be settled by negotiation through diplomatic channels.

b) If it is not possible to settle the dispute between the two contracting parties according to what was mentioned in item (a) above within six months from the date of the start of the consultations (discussions), the dispute shall be submitted - at the request of each of the contracting parties - to an arbitration panel, in accordance with the provisions of this article.

c) The arbitral tribunal shall be constituted for each case separately, as follows:

1- Each contracting party shall, within two months of receipt of a request for arbitration, appoint one arbitrator, and these two arbitrators shall choose a citizen of a third State as president of the arbitration tribunal after approval by both parties. The president shall be appointed within three months of receipt of the request for arbitration.

2- If the necessary appointments are not made within the time limits referred to in paragraph (1) of this Clause and if no other agreement is reached between the Contracting Parties, one of them may invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a citizen of one of the Contracting Parties or if he is unable to perform the functions required, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President is also a citizen of one of the Contracting Parties or is unable to perform the required functions, the next Member of the International Court of Justice in order of precedence, who need not be a citizen of any of the Contracting Parties, shall be invited to make the necessary appointments. In all cases, the President of the Arbitration Tribunal shall be a citizen of a third State having diplomatic relations with each of the Contracting Parties.

3- The arbitral tribunal shall take its decisions by a majority of votes, and such decisions shall be binding on both contracting parties. The costs of the President of the Arbitral Tribunal and the other costs shall be shared equally between the two contracting parties. However, the tribunal may decide to charge one of the contracting parties the greater part of the costs, and this decision shall be binding on both contracting parties, and the arbitral tribunal shall determine its own procedures.

**Article (9)**

**Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party**

a) Any dispute which may arise between an investor of a Contracting Party and the other Contracting Party concerning the investment of this investor, shall be the subject to consultations between the parties to the dispute for the purpose of solving the case amicably. If these consultations do not result in a solution within six months from the date of request for settlement, the investor may submit the dispute, at his choice, for settlement to:-

1- The competent court of the Contracting Party in the territory of which the investment has been made.

2- The International Centre for the Settlement of Investment Disputes (ICSID) established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature in Washington on March 18 th, 1965.

3- 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).

b) The decisions of the arbitral tribunal shall be final and binding on either party.

c) The contracting party involved in the dispute may not - during the period of the arbitration proceedings or the period of enforcement of the award - invoke the argument of sovereignty or the argument that the investor of the other contracting party has been compensated by an insurance contract for part or all of its losses.

d) Neither Contracting Party shall pursue to settle through diplomatic channels a dispute submitted to international arbitration unless the other Contracting Party does not abide by and comply with the award reached by an arbitral tribunal.

**Article (10)**

**Application of other Rules**

If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to this Convention contain rules, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Convention, such rules shall, to the extent that they are more favourable, prevail over this Convention.

**Article (11)**

**Pre-Convention Investments**

This Convention shall be applied to all investments, made by investors of one of the Contracting Parties in the territory of the other Contracting Party in accordance with the respective laws and regulations, prior to as well as after the entry into force of this Convention, but shall not be applied to any dispute concerning investments that may have arisen before the entry into force of this Convention.

**Article (12)**

**Consultations**

Representatives of the Contracting Parties shall, whenever necessary, hold consultations on any matter affecting the implementation of this Convention. These consultations shall be held on the proposal of one of the Contracting Parties at a place and at time to be agreed upon through diplomatic channels.

**Article (13)**

**Entry Into Force, Duration and Termination**

This Convention shall enter into force thirty days after the Contracting Parties notify each other in writing that their respective internal constitutional requirements, necessary for the entry into force of this Convention, have been fulfilled.

This Convention shall remain in force for a period of ten years, and shall remain in force after the expiry of this period unless one of the contracting parties notifies the other party in writing of its desire to terminate the work of the Convention, and accordingly it shall expire one year after the date of such notification.

With regard to investments made prior to the date of notification of the termination of this Convention, the provisions of Articles (1-12) shall remain in force for another ten years from the date of termination of this Convention.

In witness whereof, the undersigned representatives duly authorized thereto, have signed the present Convention.

Done at Manama this 26th day of October 2002, in two originals in the Arabic, Russian and English languages, each text being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

**For The Government Of The Kingdom Of Bahrain**

**Abdulla Hassan Saif**

**Minister of Finance and National Economy**

**For The Government Of The Republic Of Belarus**

**Mikhail Khvostov**

**Minister of Foreign Affairs**