**Disclaimer: The official version of the law and any amendments thereto is published in Arabic in the Official Gazette. This version of the law, including amendments thereto, is provided for guidance and easy reference purposes. The Legislation & Legal Opinion Commission does not accept any liability for any discrepancy between this version and the official version as published in the Official Gazette and / or any inaccuracy or errors in the translation.**

**For any corrections, remarks, or suggestions, kindly contact us on translate@lloc.gov.bh**

**Published on the website on May 2024**

**Law No. (21) of 2004 ratifying the Convention between the government of the republic of Singapore and the government of the kingdom of Bahrain on 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 republic of Singapore and the government of the kingdom of Bahrain on the promotion and protection of investments signed in Singapore on 27/10/2003,

The Shura Council and the Council of Representatives have approved the following Law which we hereby endorse and promulgate:

**Article One**

The Convention between the government of the republic of Singapore and the government of the kingdom of Bahrain on the promotion and protection of investments signed in Singapore on 27/10/2003, attached to this Law, has been ratified.

**Article (2)**

The Ministers - each within his jurisdiction- shall implement 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: 26 Shawwal 1425 A.H.

Corresponding to: 8 December 2004

**Convention 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 Parties",

DESIRING to create favourable conditions for greater economic co-operation between them and in particular for the 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 the prosperity in both States,

Have agreed as follows:

**Article (1)**

**Definitions**

For the purposes of this Convention:

**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.

e- business concessions conferred by law or under contract, including any concession to search for, cultivate, extract or exploit the 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 Kingdom of Bahrain:

1- any natural person who is a citizen of the Kingdom of Bahrain derive this status according to its enforceable legislation.

2- corporations, firms or business associations incorporated or constituted under the laws in force in the Kingdom of Bahrain.

b- in respect of the Republic of Singapore:

1- Any person who is a national of the Republic of Singapore within the meaning of the Constitution of the Republic of Singapore.

2- 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.

**4- The term "freely convertible currency":** means any currency that is widely used to make payments for international transactions and widely traded in the main 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 the international law, sovereign rights or jurisdiction.

6- For the purposes of this Convention 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)**

**Scope of Implementation**

1- This Convention shall only apply:

a- in respect of the investments in the territory of the Republic of Singapore 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 it deems fit (if any).

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 applicable in the Kingdom.

2- The conditions stipulated in Paragraph (1) of this Article apply to investments made by investors of either Contracting Party in the territory of the other Contracting Party before or after the entry into force of this Convention, but they do not apply to any dispute or claim regarding an investment if it has been settled before the entry into force of this Convention.

**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 treated and protected fairly in accordance with the provisions of this Convention.

**Article (4)**

**Most Favoured Nation Treatment**

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

**Article (5)**

**Exceptions**

1- The provisions of this Convention 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 Convention or other forms of regional cooperation to which either of the Contracting Parties is or may become a party in the future; or the adoption of an Agreement aims to lead to the establishment or extension of such a union, area or arrangements.

b- any arrangement with a third State or other 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 Convention 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 Convention 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 any other measures having effect equivalent to either (hereinafter referred to as "expropriation") against any of the investments of the other Contracting Party unless these measures are taken for any purpose authorised by law, on a non-discriminatory basis, in exchange for collectable compensation and shall be made without unreasonable delay. Such compensation, shall be subject to the laws of each Contracting Party, and the compensation shall be the market value of the investment immediately before the expropriation, and it shall be freely convertible and transferable.

2- Any measure of expropriation or valuation may, at the request of the affected investors , 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, the contracting party that made the expropriation shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee compensating the investor of the other contracting party who owns those shares in accordance to that paragraph.

**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, other armed conflict, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, it 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. And the compensation shall be made in freely convertible and transferable currency.

**Article (8)**

**Transfer**

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 their investments, provided that the transfers are 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 Convention in connection with the investment.

d- License fees related to the matters stipulated in Clause (D) of Paragraph (1) of Article (1) of this Convention.

e- Payments in respect of technical assistance, technical service and management fees.

f- Payments in connection with the 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 Convention.

**Article (9)**

**Exchange Rate**

The transfers referred to in Articles (6) and (7) and (8) of this Convention shall be effected at the prevailing market rate in freely convertible currency.

**Article (10)**

**Laws**

For the avoidance of any doubt, it is declared that all investments shall, subject to the provisions this Convention, 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 Convention, 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- Nothing in Paragraph (1) of this Article precludes the free transfer of the amount of the compensation stipulated in Articles (6) and (7) of this Convention.

**Article (12)**

**Investment Disputes**

1- Any dispute between investors of one Contracting Party and the other Contracting Party in connection with any 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 resolved as provided in paragraph (1) of this Article, within six 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.

b- The International Center for Settlement of Investment Disputes (ICSID) provided for in the Treaty for the Settlement of Investment Disputes between the States and Nationals of the Other Countries, signed in Washington on 18 March 1965

c- An arbitral tribunal formed for this purpose in accordance with the arbitration rules of the United Nations Committee of International Trade Law (UNCITRAL) of 1976, unless otherwise agreed upon by the parties to the dispute. 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 the 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 Convention shall, as far as possible, be settled through negotiation.

2- If any dispute cannot be thus settled through negotiation, 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 within three months from receiving the arbitral Tribunal request and the third, who shall be Chairman of the tribunal, appointed by both Contracting Parties within two month hereafter.

3- Within four months of receiving the request for arbitration, the president of the International Court of Justice may be invited to appoint any arbitrator who has not been appointed - unless otherwise agreed, and if the president is a national of either contracting party, or if he was unable to fulfil his task, he may request the vice president to conduct the required appointment procedures. 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.

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

5- The tribunals decision shall be final and the Contracting Parties shall abide by and comply with the terms of its award.

6- 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 estimation direct that a higher proportion of the costs shall be borne by one of the two Parties, and this award shall be binding on both Parties.

**Article (14)**

**Other Obligations**

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

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

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

**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 Convention. This Convention shall enter into force on the thirtieth day from the date of notification of the later Contracting Party.

2- This Convention shall remain in force for a period of fifteen years and shall continue to be 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 Convention. The notice of termination shall become effective one year after it has been received by the other Contracting Party.

3- In respect of the investments made prior to the date when the notice of termination of this Convention 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 Kingdom Of Bahrain**

**Abdulla Hassan Saif**

**Minister of Finance and National Economy**

**For the Government of the Republic of Singapore George Young-Yoon Yoo**

**Minister of Trade and Industry**