Agreement

Between

The Democratic Socialist Republic of

Sri Lanka

And

The United Arab Emirates

on

The Promotion and Reciprocal Protection of Investments

The Democratic Socialist Republic of Sri Lanka and the United Arab Emirates (hereinafter referred together as the "Contracting Parties");

DESIRING to intensify greater economic co-operation between them, with respect to investments made by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations and policies;

RECOGNIZING the need to promote and protect foreign investments with the aim of fostering the economic prosperity of both Contracting Parties;

RECOGNIZING that the promotion of sustainable investments and a stable framework would be beneficial for the development of national economies of both Contracting Parties;

ACKNOWLEDGING that each Contracting Party maintains the right to regulate foreign investments established in its territory and to take necessary measures to ensure that investment activities are consistent with its national laws, regulations and policies;

FURTHER RECOGNIZING the right of each Party to establish its own level of domestic environment protection and to adopt or modify its environmental laws and regulations.

HAVE AGREED as follows:

PART 1

Article 1
Definitions

For the purposes of this Agreement:

1.The term" investor" means in respect of either Contracting Party:

a. natural persons, who, according to the laws and regulations of the either Contracting Party, are considered to be its nationals except for those who concurrently hold the nationality of a third state;

b. juridical persons, including companies, corporations, business associations and other organizations enterprises/authorities of the Contracting Parties, which are constituted or otherwise duly organized under the laws of the other Contracting Party and have their seat, together and have substantial economic activities, in the territory of the other Contracting Party, where the controlling interest is held by natural persons of the former Contracting Party.

2. The term investment" means every kind of asset that an investor owns or controls, directly or indirectly, that has the characteristic of an investment, which includes the commitment of capital or other resources, a certain duration, the expectation of gain or profit or the assumption of risk. The forms that an investment may take shall include in particular:

a. enterprise;
b. movable and immovable property acquired as well as any other rights in rem, such as mortgages, liens, pledges, or usufructs and similar rights:
c. shares, stocks, debentures and other forms of ownership of the enterprise;
d. returns reinvested, claims to money or any other rights to legitimate performance having a financial value related to an investment:
e. intellectual property rights that are protected under the domestic law of the host state.
f. concessions or licenses granted under law or contract. Natural resources are excluded from the scope of this Agreement.

3. Investment does not include:

a. claims to money that arise solely from commercial contracts for the sale of goods or services by an investor in the territory of a Contracting Party to an investor in the territory of the other Contracting Party;
b. an order or judgment sought or entered in any judicial, administrative or arbitral proceeding;
c. claims to money that arise from credits in connection with a commercial transaction,
d. any pre-operational expenditure relating to admission, establishment, acquisition or expansion of the enterprise incurred before the commencement of substantial business operations of the enterprise in the host state;
e. goodwill, brand value, market share [or similar intangible rights];
f. any other claims to money that do not involve the kind of interests or operations set out in the definition of investment in this Agreement.
g. beneficial ownership of shares owned by a third party.
h. sovereign debt instruments shall not be covered by this Agreement and shall be governed by the concerned Sovereign debt instruments.
i. acquisition of shares or voting power representing less than ten percent of a company through stock exchanges i.e. portfolio investments.
j. investments made with capital or assets of illegal origin or resulting out of administrative corruption as shall be determined under due process of law of the host state, however the investor affected shall have the right to contest to the judicial or administrative body that took such action.

4. Any change of the form in which assets are invested or reinvested shall not affect their character as an investment, provided that such modification is in accordance with the laws and regulation of the host country and prior approval of the relevant authorities concerned with the admission of the investment.

5.The term "returns" means the amounts yielded by an investment and includes, in particular, profits, interest, capital gains, dividends, royalties and fees;

6. The Term: "freely convertible currency" shall mean any currency that is widely used in international transactions and is traded in principal exchange markets.

7. The term "territory" means in respect of:

a. The Democratic Socialist Republic of Sri Lanka: The land territory, the airspace the internal waters, the territorial sea, and, the maritime and submarine areas adjacent to the coast under its sovereignty, including the exclusive economic zone and the continental shelf, over which the Contracting Party concerned exercises sovereign rights or jurisdiction in conformity with national and international laws; and

b The United Arab Emirates; the territory of the United Arab Emirates, which is under its sovereignty, as well as the areas outside the territorial waters, airspace and submarine areas over which the United Arab Emirates exercises, in accordance with international law and the law of United Arab Emirates, sovereign rights or jurisdiction in connection with the exploration or the exploitation of natural resources;

8. The term "commitment of capital" means actual physical transfer of money to the territory of the Contracting Party where the investment is made by the investor from the other Contracting Party

9. The term "other forms of ownership" are limited to those forms recognized by the substantive laws of the Contracting Party in whose territory the investment is made

10.The term "Host State" means the country in which the investment is made by an investor.

11. The term "Pre-investment activity" will include pre-project, preoperational, pre-implementation activity related to establishment, acquisition of any investment and to any measure related to such activity. For greater certainty this Agreement shall apply only to post- establishment investments.

12. The term "Government procurement" means any process by which the government obtain the use of goods and services or any combination thereof for the government purposes and not for commercial sale or resale or use in the production or supply of goods and services for commercial purposes.

13. The term "Measures" Include any law, regulation, procedure, decision and administrative action that is applied directly to an investment.

14. The term 'laws' means any law and subordinate legislation and includes orders, proclamations, rules, by-laws and regulations made or issued by a body or person having power or authority under any law of each Contracting Party, to make or issue the same

15. The term "Defending Party" means a Party against which a claim is made under this Article.

16. The term "disputing party" means a Defending Party or a disputing investor.

17. The term "disputing parties" means a disputing investor and a Defending Party.

18. The term "disputing investor" means an investor of a Party that makes a claim against another Party on its behalf under this Article.

19. The term "New York Convention" means the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done at New York on 10 June 1958.

20. The term "Non-disputing Party" means the Party to this Agreement which is not a party to a dispute under of this Agreement.

21. The term WTO means the WTO Agreements establishing World Trade Organization done at Marrakesh in 1994.

22. The term "UNCITRAL Arbitration Rules" Means the Arbitration Rules of the United Nations Commission on International Trade Law, approved by the United Nations General Assembly on 15th December 1976, as amended from time to time.

23. The term "UNCITRAL Transparency Rules" means the UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration, in their most recent form;

24. The term "Tribunal" means an arbitration tribunal established under this Agreement and agreed by the Parties.

Article 2

Scope of Application

1. This Agreement shall apply to investments of investors of one Contracting Party, made in the territory of the other Contracting Party and specifically approved by the competent authority in accordance with its laws and regulations.

2. This Agreement shall be applicable to investments made prior to or after the entry into force of the Agreement. It shall, however, not be applicable to any claim or disputes that were settled before the entry into force of this Agreement or arising out of events or an action taken by a Contracting Party which occurred prior to its entry into force.

3.This Agreement shall not apply to:

(a) the issuance of compulsory licenses granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with the international obligations of Contracting Parties under the WTO Agreement;

(b) government procurement, subsidies, grants, or supportive loans or insurance granted by a Party and services supplied in the exercise of governmental authority by the relevant body or authority of a party. For the purpose of this provision, a service supplied in the exercise of governmental authority means any service which is not supplied on commercial basis.

(c) Nothing in this Agreement shall apply to any measures regarding to taxation including measures in force taxation obligations.

ARTICLE 3
General Exceptions

1. Nothing in this Agreement shall prevent any Contracting Party from taking action and adopting measures, which it considers necessary for the:

a) protection of its national security or public order;
b) protection of its public morals;
c) protection of its human, animal or plant life or health or the environment;
d) protection of its national treasures of artistic, historic or archeological value; or
e) conservation of its natural resources.

2. Notwithstanding any other provisions of this Agreement, a Contracting Party shall not be prevented from taking non-discriminatory measures relating to financial services for prudential reasons, including measures for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by an enterprise supplying financial services, or to ensure the integrity

and stability of its financial system .In cases where a Contracting Party takes any measure pursuant to this paragraph, that does not conform with the provisions of this Agreement, that Contracting Party shall not use such measure as a means of avoiding its obligations under this Agreement and their obligation under the IMF Articles of Agreement.

PART II – OBLIGATIONS OF PARTIES

ARTICLE 4

Promotion and Admission of Investments

1. Each Contracting Party shall encourage and promote investments in its territory by investors of the other Contracting Party in accordance with applicable laws and regulations.

2. In the case of Sri Lanka admission of investments will be in accordance with Section 17 of the Board of Investment Law. In the case of UAE investments is admitted in accordance with the local and Federal laws of the UAE.

3. In order to encourage mutual investment flows, each Contracting Party may endeavor as far as possible to inform the other Contracting Party, of the investment opportunities available in its territory, at the request of either Contracting Party.

ARTICLE 5

Protection and Treatment of Investments

1. Investments and returns of investors of either Contracting Party made in accordance with its laws and regulations shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

2. In accordance with its national laws and regulations, each Contracting Party shall as far as possible make publicly available, its laws, regulations that pertain to investments.

3. For greater certainty and beyond any doubt:

   a. "Fair and equitable treatment" is the obligation not to deny justice, in any judicial criminal, civil or administrative proceedings or manifest arbitrariness or targeted discrimination on manifestly wrongful grounds such as gender, race or religious belief in accordance with due process of law of the host state.

b. "Full protection and security" demands each party to grant the physical protection required by customary International Law and do not create any additional substantive rights. For greater certainty, the concept of fair and equitable treatment and full protection and security in paragraph (a) and (b) of this Article do not require treatment in addition to or beyond that which is required by the Customary International Law minimum standard of treatment of aliens.

4. Each Contracting Party shall ensure that contractual protection will last for the duration of the investment whereas the investment contract cannot be changed unilaterally.

5. A determination that there has been a breach of another provision of this agreement or of a separate international agreement does not establish that there has been a breach of this provision.

ARTICLE 6

National and Most Favoured Nation Treatment

1. In accordance with the laws and regulations, each Contracting Party shall accord in its territory to investments and returns on investments of investors of the other Contracting Party as regards management, maintenance, use, enjoyment or disposal of the investment, treatment no less favourable than which it accords in like circumstances to investments and returns of its own investors, or to investments and returns of investors of any third State.

2. Each Contracting Party shall accord in its territory to the investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of the investment, a treatment which is no less favourable than that which it accords in like circumstances to its own investors or to investors of any third State.

3. For greater certainty "in like circumstances" should be made based upon an objective assessment of all circumstances on a case by case basis, including inter alia;

a. the sector the investor is in;
b. the location of the investment;
c. the aim of the measure concerned; and
d. the regulatory process generally applied in relation to the measure concerned

The examination shall not be limited to or biased towards any one factor

4. The most favoured nation treatment under this Article is expressly limited in its scope to matters with respect to the management, maintenance, use, enjoyment or disposal of an investment and does not apply to investor- State dispute settlement procedures that are available in other agreements to which Contracting Parties are Parties.

5. The provisions of paragraph 1 and 2 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:

a. any existing or future customs union or economic or monetary union, free trade area or similar international agreements to which either of the Contracting Party is or may become a Party in the future:

b. any international agreement or arrangement or any domestic regulation, wholly or partially related to taxation.

6. For greater certainty the most favoured and national treatment accorded under this article, shall not apply to treatment accorded under all bilateral agreements in force or signed prior to the entry into force of this Agreement.

7. Most favoured Nation and national Treatment shall not apply to any sectors or services that are exclusively reserved to nationals in accordance with the laws and regulations of each Contracting Party.

ARTICLE 7

Compensation for Damage or Loss

1. When investments made by investors of either Contracting Party suffer loss or damage owing to war or other armed conflict, civil disturbances, state of national emergency, resolution, riot or similar events in the territory of the other Contracting Party they shall be accorded by the latter Contracting Party treatments, as regards restitution, compensation or other settlement, not less favourable than the treatment the latter Contracting Party accords to its own investors or to investors of any third State, whichever is more favourable to the investors concerned.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party resulting from:

a. requisitioning of their property or part thereof by its forces or authorities
b. destruction of their property or part thereof its forces or authorities which was not caused in combat or was required by the necessity of the situation.

Shall be accorded adequate and effective compensation or restitution for the damage or loss sustained during the period of requisitioning or as a result of destruction of their property. Resulting payments shall be made in freely covetable currency and be freely transferable without delay.

ARTICLE 8

Expropriation

1. A Contracting Party shall not expropriate or nationalize directly an investment of an investor of the other Contracting Party or take any measures having equivalent effect of nationalization or expropriation (hereinafter referred to as "expropriation") except if the following conditions occur simultaneously:

a. for a purpose which is in the public purpose

b. on a non-discriminatory basis

c. in accordance with due process of law, and

d. accompanied by payment of adequate and effective compensation

2. Compensation shall amount to fair market value of the investment expropriated on the day before the expropriation or impending expropriation takes place or became publicly known, whichever is the earlier, and shall not reflect any change in value occurring because the intended expropriation had become publicly known earlier. Valuation criteria shall be on the basis of going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

3. If the market value cannot be ascertained, the compensation shall be determined in taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the investment, replacement and book value, in accordance with fair market value as per international standard of valuation.

4. Compensation shall be paid without delay, be-effectively realizable and freely transferable.

5. An investor of a Contracting Party affected by the expropriation carried out by the other Contracting Party shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this Article, by a judicial authority or another competent and independent authority of the latter Contracting Party.

6. Where a Contracting Party expropriates the assets of a legal entity that is constituted in its territory according to its laws and regulations and in which investors of the other Contracting Party participate, it shall ensure that the provisions of this Article are applied in a way that it guarantees such investors adequate and effective compensation.

ARTICLE 9

Transfers

1. In accordance with its laws and regulations in force in the territory of the Contracting Party, each Contracting Party shall ensure that all payments relating to an investment in its territory, of an investor of the other Contracting Party, shall be freely transferred into and out of its territory without delay, in freely convertible currency. Such transfers shall include, in particular.

a. initial capital and additional amounts to maintain or increase an investment;
b. return of the investment invested;
c. payments made under a contract, including repayments pursuant to a loan agreement;
d. proceeds from the sale or liquidation of all or any part of an investment;
e. payments of compensation under Articles 7 and 8 of this Agreement;
f. payments under Article 7 of this Agreement;
g. payments arising out of the settlement of an investment dispute;
h. earning and other remuneration of personnel engaged from aboard in connection with an investment.

2. The transfers referred to above in paragraph 1 shall be subjected to any payments, dues, fees, levies or any other similar obligation that is due under the laws of the host state. The amount permitted for transfer under this Article will be the balance after deduction of the financial obligations referred to herein.

3. Each Contracting Party shall ensure that the transfers under paragraph 1 of this Article are made without unreasonable delay and in a freely convertible currency, at the market rate of exchange prevailing on the date of transfer and under the laws and regulations in force in the territory of the Contracting Party where investments have been made. In the absence of a market for foreign exchange, the rate to be used shall be the most recent exchange rate for the conversions of currencies into Special Drawing Rights.

4. It is understood that paragraphs 1 and 3 above are without prejudice to the equitable, nondiscriminatory and good faith of a country to temporarily restrict the transfer of funds relating to the following events;

a. bankruptcy, insolvency, or the protection of the rights of creditors,
b. the issuing, trading or dealing with securities,
c. criminal or penal offences, and the recovery of proceeds of crimes,
d. ensuring the satisfaction of judgments in adjudicatory proceedings

5. Notwithstanding any other provisions of this Article, the Contracting Parties may temporarily restrict transfers in the event of serious balance-of-payment difficulties or threat thereof, or in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies. Such restrictions shall be exercised equitably on a non-discriminatory basis and applied in good faith so as to minimize the adverse effects on the free transfer of payments ensured by this Agreement. The duration of the restrictions relating to transfer of payments stipulated in paragraph 1 of this Article shall be applied only for a period that is absolutely necessary to remedy the balance of payments situation, provided that such measures should not be inconsistent with IMF Articles of Agreement.

ARTICLE 10

Subrogation

1. If one Contracting Party or its designated agency (for the purpose of this Article: the "guarantor") 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.

a. the assignment to the guarantor by law or by legal transaction of all the rights and claims of the party indemnified; and

b. that the guarantor is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party indemnified, and shall assume the obligations related to the investment

2. The guarantor shall be entitled in all circumstances to:

a. the same treatment in respect of the rights, claims and obligations acquired by it, by virtue of the assignment; and

b. and payments received in pursuance of those rights and claims as the party indemnified was entitled to receive it by virtue of this Agreement, in respect of the investment concerned and its related returns.

3. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

4. Notwithstanding paragraph1 of this Article, Subrogation shall take place in the Contracting Party only after the approval of the competent authority of that Contracting Party.

Part III- OBLIGATIONS OF THE INVESTOR

ARTICLE 11

Compliance with Laws

The Contracting Parties reaffirm and recognize that:

1. Investors and their investments shall comply with all laws, regulations, administrative guidelines and policies of the host state concerning the establishment, acquisition, management, operation and disposition of investments.

2. Investors and their investments shall not, either prior to or after the establishment of an investment, offer, promise, or give any undue pecuniary advantage, gratification or gift whatsoever, whether directly or indirectly, to a public servant or official of a Party as an inducement or reward for doing or forbearing to do any official act or obtain or maintain other improper advantage nor shall be complicit in inciting, aiding, abetting, or conspiring to commit such acts.

3. Investors and their investments shall comply with the provisions of law of the Parties concerning taxation, including timely payment of their tax liabilities, including excise duties and VAT.

4. An investor shall, as far as possible, provide such information as either of the Parties may require concerning the investment in question and the corporate history and practices of the investor, for purposes of decision making in relation to that investment or solely for statistical purposes.

ARTICLE 12

Corporate Social Responsibility

Investors and their enterprises operating within the territory of each Party shall endeavour to voluntarily incorporate internationally recognized standards of corporate social responsibility in their practices and internal policies, such as statements of principle that have been endorsed or are supported by the Parties. These principles may address issues such as labour, the environment, human rights, community relations and anti-corruption.

PART IV - SETTLEMENT OF DISPUTES BETWEEN AN INVESTOR OF A CONTRACTING PARTY AND THE OTHER CONTRACTING PARTY (ISDS)

Article 13

Scope

1. Without prejudice to the rights and obligations of the Contracting Parties under Article 23 (State-State Dispute Settlement), Part IV of this Agreement establishes a mechanism for the settlement of disputes between an investor and a Contracting Party/Defending Party.

2. This Article shall only apply to a dispute between a Contracting Party and an investor of the other Contracting Party with respect to its investment, arising out of an alleged breach of an obligation by a host state under Articles of this Agreement.

3. A Tribunal constituted under Part IV of this Agreement shall only decide claims in respect of a breach of this Agreement as set out in Articles above, and not disputes arising solely from an alleged breach of a contract between a Party and an investor. Such disputes arising out of a Contract shall only be resolved in accordance with the dispute resolution provisions set out in the relevant contract.

4. An investor may not submit a claim to arbitration under Part IV of this Agreement if the investment has been made through fraudulent misrepresentation, concealment, corruption, money laundering or conduct amounting to an abuse of process or similar illegal mechanisms.

5. In addition to other limits on its jurisdiction, a Tribunal constituted under Part IV of this Agreement shall not have the jurisdiction to: (i) review the merits of a decision made by a judicial authority of the Parties; or (ii) accept jurisdiction over any claim that is or has been subject of an arbitration between the two Contracting Parties.
A dispute between an investor and a Party shall proceed sequentially in accordance with Part IV of this Agreement

Article 14

Proceedings under Different International Agreements

1. Where claims are brought pursuant to Part IV of this Agreement and another international agreement and:

(a) there is a potential for overlapping compensation; or

(b) the other international claim could have a significant impact on the resolution of the claim brought pursuant to Part IV of this Agreement.

2. A Tribunal constituted under Part IV of this Agreement shall, as soon as possible after hearing the disputing Parties, stay its proceedings or otherwise ensure that proceedings brought pursuant to another international agreement are taken into account in its decision, order or award.

Article 15

Conditions Precedent to Submission of a Claim to Arbitration

1. Any investment dispute between an investor of one Contracting Party and the other Contracting Party in relation to an investment of the former under this Agreement shall as far as possible be settled amicably through negotiations between the Parties which may include the use of third party non-binding procedures. In all such cases, the place of such consultation or negotiation or settlement shall be the capital city of the Defending Party.

2. To start negotiations, the investor shall deliver to the Contracting Party a written notice. The notice shall

a) specify the name and address of the disputing investor or the enterprise, where applicable;
b) specify the provisions of this Agreement alleged to have been breached and any other relevant provisions;
c) set out the factual and legal basis for the claim, including the measures at issue;
d) specify relief sought and the approximate amount of damages claimed; and
e) furnish evidence establishing that the disputing investor is an investor of the other Party.

3. If the dispute cannot be settled amicably within six months from the moment of receipt of the written notice, the investor has the right to choose one of the following;

(a) domestic court or

(b) under the UNCITRAL Arbitration Rules; or

(c) if the disputing Parties agree, to any other arbitration institution including ICSID or under any other arbitration rules,
provided that resort to one of the fora under subparagraphs (a), (b) and (c) shall exclude resort to any other forum

4. The arbitration shall be before an arbitral panel consisting of three arbitrators selected in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) or any other applicable arbitration Rules, as maybe agreed between the disputing Parties. In case of UNCITRAL Arbitration, the award by a majority shall be final and binding. Each Contracting Party shall ensure the recognition and enforcement of the arbitral award in accordance with its Laws and the New York Convention.

5. The applicable governing law shall be customary international law as codified in the Vienna Convention on the Law of Treaties. Article 31 and the principles set out in this Agreement. Where relevant and appropriate, the tribunal shall also take into consideration the domestic law of the host state.

6. Once the investor has referred the dispute to either a national arbitral tribunal or to the UNCITRAL any other international dispute settlement mechanism provided above, the choice of the forum shall be final.

7. Any investor may not submit a dispute for resolution in terms of this Article, if more than three (3) years have elapsed from the date the investor first acquired knowledge of the events giving rise to the dispute.

Article 16

Appointment of Arbitrators

1. The Arbitral Tribunal shall be composed of three (3) arbitrators with relevant expertise or experience in the principles of applicable domestic law, public international law, and investment law, or the resolution of disputes arising under international trade or international investment agreements. They shall be independent of, and not be affiliated with or take instructions from a disputing party or the government of a Party with regard to trade and investment matters. No person shall be nominated as an Arbitrator, if such nominated person has acted in a previous Arbitration as a Counsel in an arbitration against either Party.

2. Each disputing Party shall appoint one arbitrator and the disputing Parties shall agree upon a third arbitrator, who shall be the chairman of the arbitral tribunal who shall not be a national of either of the Contracting Parties.
If an arbitral tribunal has not been established within ninety days 90 days from the date on which the claim was submitted to arbitration, the appointing authority shall be in case of an arbitration governed by the UNCITRAL Rules, the Secretary-General of the Permanent Court of Arbitration and in case of Arbitration under ICSID, the Secretary General.

3. Provided that if the appointing authority referred to in Subparagraph 2 above is a national of either Contracting Party, the appointing Authority shall be in the following order: The President, the Vice-President or the next most senior Judge of the Permanent Court of International Arbitration.

4. The appointing authority shall appoint in her/his discretion and after consultation with the disputing Parties, the arbitrator or arbitrators not yet appointed.

Article 17

Place of Arbitration

1. Unless the disputing Parties otherwise agree, the Place of arbitration shall be in the territory of the state where the investment was made and in the alternative, in the territory of the other Party.

2. In the event the disputing Parties cannot agree between the territories of the Parties as the place of arbitration, the tribunal shall determine the place of arbitration giving consideration to where the investment has been made, unless

tribunal is of the opinion that there are reasons for the place of arbitration to be in the territory of the other Party or a non-Party who is a signatory of the New York Convention.

Article 18

Summary Dismissal

1. The Disputing Party may, no later than sixty (60) days after the constitution of the arbitral tribunal or before the arbitral tribunal issues any first procedural decision, submit an application for summary dismissal of a claim on the basis that such claim is manifestly outside the jurisdiction of the arbitral tribunal, is manifestly inadmissible or is manifestly without legal merit.

2. The arbitral tribunal shall afford the disputing Party the opportunity to present written observations on the application.

3. If the arbitral tribunal decides that the claim is manifestly outside its jurisdiction, is manifestly inadmissible or is manifestly without legal merit, it shall render an award to that effect within 6 months.

4. The decision of the arbitral tribunal shall be without prejudice to the right of the disputing party to object to a claim in the course of the arbitral proceedings on the basis that such claim is outside the jurisdiction of the arbitral tribunal, is inadmissible or is without legal merit.

5. If the arbitral tribunal dismisses the claim of the investor on the basis that it is manifestly outside the jurisdiction of the arbitral tribunal, is manifestly inadmissible or is manifestly without legal merit, the arbitral tribunal shall award the Contracting Party in the dispute all costs and fees incurred in the arbitral proceedings including those for legal representation and assistance, except where the arbitral tribunal finds such costs and fees to be manifestly unreasonable.

ARTICLE 19

Joint Interpretation

1. On the request of either of the disputing Parties for an interpretation of this Agreement the tribunal shall request the joint interpretation of the Parties on the issue within 90 days of the delivery of the said request.

2. The disputing Parties shall submit their joint interpretation to the tribunal, and the joint interpretation shall be binding on the tribunal.

3. If the Parties fail to submit the joint interpretation within 90 days the tribunal shall provide an interpretation. The tribunal's interpretation shall be based on the Vienna Convention on the Law of Treaties, other rules and principles of international law that are applicable and with reference to domestic laws of the Contracting Parties.

Article 20

Award

1. The Tribunal shall decide questions by a majority of the votes of all its members.

2. The award of the Tribunal shall be in writing and shall be signed by the members of the Tribunal who voted for it, and delivered to the disputing Parties promptly.

3. The award shall deal with every question submitted to the Tribunal, and shall state the reasons upon which it is based.

4. Any member of the Tribunal may attach his individual opinion to the award, whether he dissents from the majority or not, or a statement of his dissent.

5. Either Party may request revision of the award, if provided in the applicable arbitration Rules on the grounds permitted under the applicable Rules by an application in writing.

6. The application for revision shall be made within 90 days or any other time period provided in the applicable arbitration Rules.

7. The Tribunal may, if it considers that the circumstances so require, stay enforcement of the award pending its decision on the revision. If the applicant requests a stay of enforcement of the award in its revision application, the enforcement shall be stayed provisionally, where the applicable arbitration Rules provide for the same, until the Tribunal rules on such request.

8. Where the applicable arbitration Rules provide for review of the award either Party may request the tribunal for review/annulment/ appeal or any other similar mechanism provided for in the applicable arbitration Rules by an application in writing on the grounds as provided in the applicable arbitration Rules.

9. For the purposes of this Article the term "applicable arbitration Rules" will mean and include the arbitration Rules the disputing Parties have chosen to submit their dispute for resolution, and will include UNICTRAL and ICSID.

Article 21
Recognition and Enforcement of the Award

1. The award shall be binding on the Parties and shall not be subject to any appeal or to any other remedy except as provided for in the foregoing Article 20 of this Agreement.

2. Each Party shall abide by and comply with the terms of the award.

3. For the purposes of this Article, "award" shall include any decision on interpreting, revising, reviewing of such award as provided in Article 20 of this Agreement.

Article 22
Components of the Award

1.Where a tribunal makes a final award against a respondent, the tribunal may award:

(a) monetary damages and applicable interest;

(b) restitution of property, in which case the award shall provide that the respondent may pay monetary damages and any applicable interest, in lieu of restitution; or both

2. A tribunal may at its own discretion also award costs and attorney's fees in accordance with this Section and the applicable arbitration rules.

3. Without Prejudice to paragraph 2, the monetary value of the award made under paragraph 1 shall not exceed monetary value of the loss or damage caused to the investor as a result of the breach determined by the tribunal.

4. A tribunal may not award punitive damages.

5. A disputing Party shall abide by and comply with an award without delay.

6. Each Party shall provide for the enforcement of an award in its territory.

7. A disputing Party may seek enforcement of an arbitration award under the New York Convention or the ICSID Convention if the award was given pursuant to the submission of the investment dispute to arbitration in accordance with the applicable Convention referred to above.

ARTICLE 23

State-State Dispute Settlement

I. Disputes between the Contracting Parties

1.Disputes between the Contracting Parties concerning the interpretation or application of the provisions of this Agreement shall if possible be settled through direct negotiations.

2. If the dispute cannot be settled within six months, it shall upon the request of either Contracting Party be submitted to an Arbitral Tribunal in accordance with paragraph 3 below.

3. The Arbitral Tribunal shall be constituted for each individual case in the following manner:

Within two months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. These two members shall agree upon a national of a third State who on approval by the two Contracting Parties appointed as the 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 members.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, a request may be made to the President of the International Court of Arbitration to make the necessary appointments. If the President of the International Court of Arbitration happens to be a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-president shall be invited to make the necessary appointments. If the Vice-President also happens to be a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Arbitration next in seniority according to the Rules of the Court shall be invited under the same conditions to make the necessary appointments. The appointed judge should be a national of a State that has diplomatic relations with the Contracting Parties.

5. The Arbitral Tribunal shall reach its decision by a majority of votes; such decision shall be final and binding.

6. Each Contracting Party shall bear the costs of its own arbitrator and of its legal representation in the arbitration proceedings. The costs of the chairman and the remaining costs shall be borne in equal parts by both Contracting Parties. The Arbitral Tribunal shall determine its own procedure.

ARTICLE 24

Limitation of Benefits

1. Benefits of this Agreement shall not be available to:

(i) An investor of a Contracting Party, if the main purpose of the acquisition of the nationality of that Contracting Party was to obtain benefits under this Agreement that would not otherwise be available to the investor; or

(ii) An investor of a non-Contracting Party who acquires the ownership or control of an investment through planning of nationality where the investor has structured his investment through intermediary countries.

2. The benefits of this Agreement shall not be available to an investor who:

a) i. establishes a legal entity;
ii. acquires an asset;
iii. acquires an asset that lacks the characteristics of investment;

in either Contracting Party for the sole purpose of getting the benefits of this Agreement without having a bona fide business activity.

b) or who establish companies that are directly or indirectly controlled by a third person who is not a resident of either Contracting, whereas such benefits would not otherwise be available to that person.

a bona fide business would require an investor to make substantial business activities or commitments in the host Contracting Party.

3. Prior to denying the benefits of this Agreement, the denying Contracting Party shall notify and consult the other Contracting Party of such denial or benefits.

4. A Contracting Party may deny the benefits of this Agreement to an investor of the other Contracting Party and to its investment, if the investor is an enterprise owned and controlled by persons of a non-Contracting Party or the host state, and such enterprise has no substantive business operations in the territory of the other Contracting Party.

ARTICLE 25

Implementation and Amendments

1. The Contracting Parties may, at the request of either Contracting Party, hold consultations for the purpose of reviewing the implementation and if considered necessary any modification this Agreement.

2. This Agreement may be amended in writing by the mutual consent of the Contracting Parties. Such amendments shall enter into force according to the same procedure relating to the entry into force of the Agreement.

Article 26

Performance Requirement

Within the context of its national economic policy and goals each Party shall;

1. Reaffirm their obligations under the WTO Agreement on Trade-Related Investment Measures (TRIMs), as amended from time to time.

2. For greater certainty neither contracting Party shall take or enforce any commitments or undertake regarding the following;

a) to export a given level or percentage of goods or services
b) to relate in any way the volume or value of imports or value or exports or to the amount of foreign exchange inflows associated.

3. This Article shall not apply to Investor State dispute settlement Article under Part IV of this Agreement.

Article 27

Joint Committee

1. The Contracting Parties shall establish a Joint Committee (hereinafter referred to as "the Committee") with a view to accomplishing the objectives of this Agreement. The functions of the committee shall be:

(a) to discuss and review the implementation and operation of this Agreement;
(b) to exchange information on and to discuss investment-related matters within the scope of this Agreement which relate to the improvement of investment environment;
(c) to consider any issues raised by either Contracting Party concerning investment agreements; and
(d) to discuss any other investment-related matters concerning this Agreement, including issues faced by investors in the Host Country to avoid such issues escalating into disputes for litigation/arbitration.

2. The Committee shall meet upon the request of either Contracting Party.

3. The Committee shall discuss the implementation and application of this Agreement and to solve investment disputes arising between the investor and the State.

ARTICLE 28

Entry into force

This Agreement shall enter into force on the date of receipt of the later notification through diplomatic channels by which either Contracting Party notified the other Contracting Party that its internal legal requirements for the entry into force of this Agreement have been fulfilled.

Article 29

Duration and Termination

1. This Agreement shall remain in force for a period of ten years and shall continue to be in force thereafter for similar periods unless at least one year before the expiry the initial or any subsequent ten year period, either Contracting Party notifies the other in writing of its intention to terminate the Agreement.

2. In respect of investments made prior to the date when the terminations of this Agreement becomes effective, the provisions of this Agreement shall continue to be effective for a period of ten years from the date the termination of this Agreement became effective.

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

Done in duplicate, at Dubai, on this 12th day of February 2025 in the Sinhala, Arabic and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

....

Vijitha Herath, M.P
Minister of Foreign Affairs, Foreign Employment and Tourism

FOR THE UNITED ARAB EMIRATES

....

Mohamed bin Hadi Al Hussaini
Minister of State for Financial Affairs