

AGREEMENT ON INVESTMENT GUARANTIES
BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE
GOVERNMENT OF THE STATE OF KUWAIT

The Government of the United States of America and the Government of the State of Kuwait,

Desiring to strengthen economic co-operation between their countries, and in particular to promote the participation by U.S. private enterprises in projects bringing new and advanced technology to the State of Kuwait ; and

Recognizing the importance of investment guaranties for the encouragement of investments ;

Have agreed as follows:-

ARTICLE 1

As used herein, the term "coverage" shall refer to any investment insurance, reinsurance or guaranty which is issued in accordance with this Agreement by the Overseas Private Investment Corporation ("OPIC"), by any successor agency of the United States of America or by any other entity or group of entities, pursuant to arrangements with OPIC or any successor agency, all of whom are hereinafter deemed included in the term "Issuer" to the extent of their interest as insurer, reinsurer, or guarantor in any coverage, whether as a party or successor to a contract providing coverage or as an agent for the administration of coverage.

ARTICLE 2

The procedures set forth in this Agreement shall apply only with respect to coverage relating to projects or activities registered with or otherwise approved by the Government of the State of Kuwait or to coverage relating to projects with respect to which the Government of the State of Kuwait or any agency or political subdivision thereof, has entered into a contract involving the provision of goods or services, or invited tenders on such a contract .

ARTICLE 3

(A) If the Issuer makes payment to any party under coverage, the Government of the State of Kuwait shall, subject to the provisions of Article 4 hereof, recognize the transfer to the Issuer of any currency, credits, assets, or investment on account of which payment under such coverage is made as well as the succession of the Issuer to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith.

(B) The Issuer shall assert no greater rights than those of the transferring party under coverage with respect to any interests transferred or succeeded to under this Article. Nothing in this Agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as Issuer.

(C) The issuance of coverage outside of the State of Kuwait with respect to a project or activity in the State of Kuwait shall not subject the Issuer to regulation under the laws of the State of Kuwait applicable to insurance or financial organizations.

ARTICLE 4

To the extent that the laws of the State of Kuwait partially or wholly invalidate or prohibit the acquisition from a party under coverage of any interest in any property within the territory of the State of Kuwait by the Issuer, the Government of the State of Kuwait shall permit such party and the Issuer to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interest under the laws of the State of Kuwait.

ARTICLE 5

Amounts in the lawful currency of the State of Kuwait, including credits thereof, acquired by the Issuer by virtue of such coverage shall be accorded treatment by the Government of the State of Kuwait no less favorable as to use and conversion than the treatment to which such funds would be entitled in the hands of the party under coverage. Such amounts and credits may be transferred by the Issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the territory of the State of Kuwait.

ARTICLE 6

The two Governments, desiring reciprocity, agree that, in the event the Government of the State of Kuwait or any of its agencies or institutions are authorized under law to issue coverage for investments of any Kuwaiti investors in any project or activity within the United States of America under a program similar in substance to the investment guaranty program to which the Agreement relates, provisions equivalent to those of this Agreement shall apply with respect to Kuwaiti investments in the United States of America, upon an exchange of notes to be made at the initiative of either Government and enactment of any implementing legislation required under the laws of the State of Kuwait or the United States of America.

ARTICLE 7

(A) Any dispute between the Government of the United States of America and the Government of the State of Kuwait regarding the interpretation or the application of this Agreement shall be resolved, insofar as possible, through negotiations between the two governments. If at the end of three months following the request for negotiations the two Governments have not resolved the dispute by agreement, the dispute, including the question of whether the dispute presents a question of interpretation or application of this Agreement, shall be submitted, at the initiative of either Government, to an Arbitral Tribunal for resolution in accordance with article 7(B).

(B) The Arbitral Tribunal for resolution of disputes pursuant to article 7(A) shall be established and function as follows:

(i) Each Government shall appoint one arbitrator; these two arbitrators shall designate a president by common agreement who shall be a citizen of a third state having diplomatic relations with both Governments and be appointed by the two Governments. The arbitrators shall be appointed within two months and the president within three months of the date of receipt of either Government's request for arbitration. If the appointments are not made within the foregoing time limits, either Government may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointment or appointments, and both Governments agree to accept such appointment or

appointments. If the President of the International Court of Justice happens to be a national of either State or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointment or appointments. If the Vice-President also happens to be a national of either state, or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either State shall be invited to make the appointment or appointments.

(ii) The Arbitral Tribunal shall base its decision on the applicable principles and rules of public international law. The Arbitral Tribunal shall decide by majority vote. Its decision shall be final and binding.

(iii) Each of the Governments shall pay the expense of its arbitrator and of its representation in the proceedings before the Arbitral Tribunal; the expenses of the president and the other costs shall be paid in equal parts by the two Governments. The Arbitral Tribunal may adopt regulations concerning the costs, consistent with the foregoing.

(iv) In all other matters, the Arbitral Tribunal shall regulate its own procedures.

ARTICLE 8

This Agreement shall continue in force until six months from the date of receipt of a note by which one Government informs the other of an intent no longer to be a party to the Agreement. In such event, the provisions of the Agreement with respect to coverage issued while the Agreement was in force shall remain in force for the duration of such coverage, but in no case longer than twenty years after the denunciation of the Agreement.

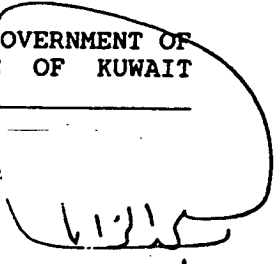
ARTICLE 9

This Agreement shall enter into force on the date of the note by which the Government of the State of Kuwait notifies the Government of the United States of America that its constitutional procedures have been fulfilled.

In witness whereof, the undersigned, duly authorized thereto by their respective Governments have signed this Agreement.

Done at Kuwait in duplicate, on the 19th of Ramadhan 1409 H., corresponding to the 24th of April 1989, in the Arabic and English languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE STATE OF KUWAIT



JASSIM MOHAMED AL-KHARAFI
MINISTER OF FINANCE

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



WILSON NATHANIEL HOWELL
AMBASSADOR OF THE UNITED
STATES OF AMERICA IN
KUWAIT