

UGANDA

Investment Guaranties

*Agreement effected by exchange of notes
Signed at Kampala May 29, 1965;
Entered into force May 29, 1965.*

*The American Ambassador to the Uganda Minister of Commerce and
Industry*

EMBASSY OF THE
UNITED STATES OF AMERICA
Kampala, May 29, 1965.

No. 280

EXCELLENCY :

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Uganda which further the development of the economic resources and productive capacities of Uganda and to guaranties of such investments by the Government of the United States of America. I also have the honor to confirm the following understandings reached as a result of those conversations :

1. The Government of the United States of America and the Government of Uganda shall, upon the request of either Government, consult concerning investments in Uganda which the Government of the United States of America may guaranty.
2. The Government of the United States of America shall not guaranty an investment in Uganda unless the Government of Uganda approves the activity to which the investment relates and recognizes that the Government of the United States of America may guaranty such investment.
3. If an investor transfers to the Government of the United States of America pursuant to an investment guaranty, (a) currency, including credits thereof, lawful in Uganda, (b) any claims or rights existing under the laws of Uganda which the investor has or may have arising from the business activities of the investor in Uganda or from the events entitling the investor to payment under the investment guaranty, or (c) all or part of the interest under the laws of Uganda of the investor in any property (real or personal, tangible or intangible) within Uganda, the Government of Uganda shall recognize such trans-

fer as valid and effective. The Government of the United States of America shall not seek to assert greater rights than those of the transferring investor under the laws of Uganda with respect to the transferred currency, credits, claims, rights or interests. The Government of the United States does, however, reserve its rights to assert a claim in its sovereign capacity in the eventuality of a denial of justice or other questions of state responsibility as defined in international law.

4. Lawful currency of Uganda, including credits thereof, which is acquired by the Government of the United States of America pursuant to a transfer of currency or from the sale of property transferred under an investment guaranty shall be accorded treatment by the Government of Uganda with respect to exchange, repatriation or use thereof, not less favorable than that accorded to funds of nationals of the United States of America derived from activities similar to those in which the investor had been engaged, and such currency may in any event be used by the Government of the United States of America for any of its expenditures in Uganda.

5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of Uganda to which the Government of the United States of America may succeed as transferee or which may arise from the events causing payment under an investment guaranty shall, upon the request of either Government, be the subject of negotiations between the two Governments and shall be settled, insofar as possible, in such negotiations. If, within a period of three months after a request for negotiation, the two Governments are unable to settle any such dispute or claim by agreement, the dispute or claim shall be referred upon the initiative of either Government, to a sole arbitrator, selected by mutual agreement, for final and binding determination in light of the applicable principles of international law. If the two Governments are unable to select an arbitrator within a period of three months after indication by either Government of its desire to arbitrate, the President of the International Court of Justice shall, at the request of either Government, designate the arbitrator.

6. Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Uganda, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between our two Governments on this subject, the agreement to enter into force on the date of your note in reply.

7. This Agreement, with any modifications that may from time to time be mutually agreed upon through further exchanges of notes, shall continue in force until six months after the date of receipt of a note by which either of our two Governments 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 guaranties issued while the Agreement was in force shall remain in force for the duration of

those guaranties, in no case longer than 20 years after the denunciation of the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

OLCOTT H. DEMING

His Excellency
LAMECK LUBOWA,
*Minister of Commerce and Industry,
Kampala.*

*The Uganda Minister of Commerce and Industry to the American
Ambassador*

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29th MAY, 1965.

YOUR EXCELLENCY,

I have the honour to refer to Your Note No. 280 of the 29th May, 1965, which reads as follows:-

"Excellency:

I have the honour to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Uganda which further the development of the economic resources and productive capacities of Uganda and to guaranties of such investments by the Government of the United States of America. I also have the honour to confirm the following understandings reached as a result of those conversations:

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2. The Government of the United States of America shall not guaranty an investment in Uganda unless the Government of Uganda approves the activity to which the investment relates and recognizes that the Government of the United States of America may guaranty such investment.

3. If an investor transfers to the Government of the United States of America pursuant to an investment guaranty, (a) currency, including credits thereof, lawful in Uganda, (b) any claims or rights existing under the laws of Uganda which the investor has or may have arising from the business activities of the investor in Uganda or from the events entitling the investor to payment under the investment guaranty, or (c) all or part of the interest under the laws of Uganda of the investor in any property (real or personal, tangible or intangible) within Uganda, the Government

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of Uganda shall recognize such transfer as valid and effective. The Government of the United States of America shall not seek to assert greater rights than those of the transferring investor under the laws of Uganda with respect to the transferred currency, credits, claims, rights or interests. The Government of the United States does, however, reserve its rights to assert a claim in its sovereign capacity in the eventuality of a denial of justice or other questions of state responsibility as defined in international law.

4. Lawful currency of Uganda, including credits thereof, which is acquired by the Government of the United States of America pursuant to a transfer of currency or from the sale of property transferred under an investment guaranty shall be accorded treatment by the Government of Uganda with respect to exchange, repatriation or use thereof, not less favourable than that accorded to funds of nationals of the United States of America derived from activities similar to those in which the investor had been engaged, and such currency may in any event be used by the Government of the United States of America for any of its expenditures in Uganda.

5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of Uganda to which the Government of the United States of America may succeed as transferee or which may arise from the events causing payment under an investment guaranty shall, upon the request of either Government, be the subject of negotiations between the two Governments and shall be settled, insofar as possible, in such negotiations. If, within a period of three months after a request for negotiation, the two Governments are unable to settle any such dispute or claim by agreement, the dispute or claim shall be referred upon the initiative of either Government, to a sole arbitrator, selected by mutual agreement, for final and binding determination in light of the applicable principles of international law. If the two Governments are unable to select an arbitrator within a period of three months after indication by either Government of its desire to arbitrate, the President of the International Court of Justice shall, at the request of either Government, designate the arbitrator.

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issued while the Agreement was in force shall remain in force for the duration of those guaranties, in no case longer than 20 years after the denunciation of the Agreement.

Accept, Excellency, the renewed assurances of my highest consideration."

I have the honour to confirm that the Government of Uganda is in agreement with the foregoing.

Please accept, Excellency, the assurances of my highest consideration.

L. LUBOWA

(Lameka Lubowa),
Minister of Commerce and Industry

H. E. Mr. OLCOTT H. DEMING,
Ambassador of the United States of America,
Embassy of the United States of America,
P.O. Box 1216,
Kampala.

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