

Translation of final Arabic amendments to the law

August 09

Draft LAW

NO. \_\_\_\_ For the Year 200[9] On Investment

## INVESTMENT LAW

In the name of the people,

The President of the Republic,



		investment and encouraging the investor to establish and develop investment projects
14	Facilitation	Assisting the investor in obtaining information, services, legal documents required by competent government agencies through the one window system.
15	Registration Application Form	Form filled out by the investor and includes all data and information on the investment project for the purpose of registration in the investment register
16	Investment Register	Investment register established by the General

c. The provisions of this law shall only apply to projects (enterprises) established pursuant to its provisions.

### Section III

#### GUARANTEES AND BENEFITS

Article (5):-

a. The State, pursuant to this law, Guarantees that all foreign Investors are granted national treatment with respect to the rights and obligations granted to investment projects including the right to establish wholly-owned or jointly-owned Enterprises to carry out their Investments.

b. The State guarantees that all Foreign Investors shall be treated fairly, equitably and without discrimination as to the domestic investors, in all rights and obligations and freedom of investment in any sector of the economy in accordance with the provisions of this Law.

Article (6):-

A Foreign Investor may purchase, lease or otherwise acquire, or obtain the right to use, land or buildings that are owned either by private persons or by the Government for the

Article (8) :-

- A. Subject to the other subsections of this Article, the Government shall not expropriate or nationalize any Enterprise or any assets of an Enterprise.
- B. Any expropriation or nationalization of an Investment that is proposed by the Government shall be in the national interest, for a public purpose, on a non-

An Investor and an Enterprise in Yemen shall have its intellectual property rights protected, including the right to enforce its trademarks, copyrights, patents and other intellectual property rights, pursuant to any applicable international conventions to which Yemen is a party to.

#### Section IV

#### THE GENERAL INVESTMENT AUTHORITY (GIA)

Article (11):-

- a. This law establishes The General Investment Authority as the national investment promotion and facilitation agency as an independent legal entity, and independent financial accountability and shall be directly subordinated to the Prime Minister.
- b. The headquarters of The General Investment Authority shall be in Sana'a. The

5. Forwarding recommendations to the Government on improvements to the investment climate that increase the competitiveness of Yemen as an investment location; and
- 6.
7. Receives applications from investors for the establishment of an investment and completes recording procedures in the Investment Register in accordance with the rules and conditions set in the executive regulations.
8. Assist investment enterprises at other related agencies to remove any constraints or obstacles hindering their implementation and operations.
9. Prepare economic feasibility studies for specific projects in competitive sectors.
10. Provision of technical support to competent agencies when and as required.
11. Study all investment related regulations and legislations, as well as,



procedures to be carried out by The General Investment Authority in the event that any of the Competent Agencies do not apply these rules or procedures or exceed the time frames set forth in the Executive Regulations to achieve the objectives of Investors.

Article (13):-

a. The General Investment Authority shall establish an Investment Register for all investments subject to the provisions of this law for statistical purposes into which shall

7	Chief Executive Officer of The General Investment Authority	Member
8	Chairman of the Federation of Yemen Chambers of Commerce and Industry	Member
9	Four members from the private sector to be nominated jointly by the Chambers of Commerce and Industry, Chairman of the Businessmen Council, Chairman of the Yemeni Businessmen Club and Chairman of the Yemeni Industrialists Association. The nomination shall be approved by the Board of Directors for a period of three years.	Member

B. The Board shall determine who shall sit for the Chairman in his absence from amongst the members of the Board.

C. The Board has the right to invite any of the officials of competent agencies in the field of investment to discuss any issue which might fall under the supervision of those agencies.

Article (16):-

The Board of Directors is the highest body overseeing General Investment Authority's affairs and the management of it's operations and the formulation of the policies which it supervises. It has the authority to make the appropriate decisions to achieve the goals for which it was established. More specifically, the Board of Directors shall exercise the following:-

1. approving the national investment promotion strategy and policies and the resulting programs and the required budgets for implementation thereof.
2. approving policies, plans and programs and the annual budget for the implementation of the national investment promotion strategy;
3. To work for the strengthening the institutional status of General Investment Authority, both inside and outside Yemen;
- 4.

6. consideration of the annual report of The General Investment Authority .
7. study the constraints to investment activities and submit them to the Government proposing needed solutions to remove constraints. It shall propose any amendments to the legislations or regulations relevant to investment activities. Such proposals shall receive priority in presentation to the Cabinet and endorsement.
8. strengthen and enhancing partnership between the Public and the Private Sector for the purpose of development of investment.
9. endorsement of financial, administrative and organizational systems related to the activities of General Investment Authority.
10. Determination of services fees provided to the enterprises and investors
11. carry-out the tasks assigned to it by the Government on matters related to investment.

Article (17) :-

The Board of Directors shall have its own regulations which set the dates for the board meetings and the system used in its work to be issued by the Chairman of the Board following approval of the board Within a three month period from the date this law is issued.

Article (18):-

a. The General Investment Authority shall have a Chief Executive Officer to be appointed by a Republican Decree. In the performance of tasks and functions, he shall be responsible to the Board of Directors.

Article (19):-

In discharging his functions under this Law, the Chief Executive Officer shall be responsible for discharging the day to day matters, financially, administratively and technically and shall practice, more specifically, the following:

1. preparing the national investment promotion strategy in conjunction with the Competent Agencies.



C. the Board of Directors may decide to invest any surplus in the General Investment Authority's funds in profitable short term investments.

Article (21):-

The General Investment Authority's funds are public property. It may not be owned as a result of prescription and shall be dispensed in accordance with the provisions of this law and regulations issued pursuant to this law.

Article (22) :-

1. (a). General Investment Authority's shall have an independent budget in accordance with financial laws in force.
- (b) The financial year of General Investment Authority shall be the same as the financial year of the Government.

Article(23):- All investment projects registered in the investment register shall make administrative fees payment to the Authority equivalent to 0.005% one half of one percent in a thousand of the value of the fixed assets and production equipment exempted during the registration.

Article (24):-

The General Investment Authority shall have, in accordance with this law a special cadre system. The system should be flexible in hiring, selection and management of human resources and the attainment of fairness. The system should contain special criteria and technical basis for evaluating and assessing the performance, setting wages and salaries and termination of service. This system shall be issued by a Prime Minister's decree after the approval of the Board of Directors.

Article (25):- The Board of Directors, every five years, shall submit a report to the government which includes the results of a review of the annual performance indicators of General Investment Authority, ratings of actual performance and the appropriateness of the funds available to the tasks entrusted to General Investment Authority.

## Section V

### SETTLEMENT OF FOREIGN INVESTMENT DISPUTES

Article (26):-

- a. Yemeni commercial courts shall have jurisdiction over the resolution of investment disputes.
- b. Notwithstanding subsection (a), the parties to an investment dispute may specify any arbitration or dispute resolution procedure upon which they may agree.
- c. Where an investment dispute arises between a Foreign Investor and the



