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**INVESTMENT GUARANTIES**

Agreement Between the  
UNITED STATES OF AMERICA  
and the SOMALI REPUBLIC

Effected by Exchange of Notes  
Signed at Mogadiscio November 27  
1962 and January 8, 1964



# SOMALI REPUBLIC

## Investment Guaranties

*Agreement effected by exchange of notes  
Signed at Mogadiscio November 27, 1962 and January 8, 1964;  
Entered into force January 8, 1964.*

*The American Chargé d'Affaires ad interim to the Somali Acting  
Minister of Foreign Affairs*

EMBASSY OF THE  
UNITED STATES OF AMERICA  
No. 269  
Mogadiscio, November 27, 1962

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in the Somali Republic which further the development of the economic resources and productive capacities of the Somali Republic 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 these conversations:

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

4. Lawful currency of the Somali Republic, 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 the Somali Republic 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 the Somali Republic.

5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of the Somali Republic 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.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Somali Republic, 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.

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

THOMAS M. JUDD  
*Chargé d'Affaires, ad interim*

His Excellency,  
ABDIRAZAK HAGI HUSSEN,  
*Acting Minister of Foreign Affairs,  
Mogadiscio, Somali Republic.*

*The Somali Minister of Foreign Affairs to the American Ambassador*

MINISTERO DEGLI AFFARI ESTERI

8 GEN. 1964

EXCELLENCY,

I have the honour to refer to your letter No. 269 dated November 27, 1962, concerning the conclusion of an Investment Guarantee Agreement between the Government of the United States of America and the Government of the Somali Republic, and to confirm the result reached on the subject as follows:

1. The Government of the United States of America and the Government of the Somali Republic shall, upon the request of either Government, consult concerning investments in the Somali Republic which the Government of the United States of America may guarantee.
2. The Government of the United States of America shall not guarantee an investment in the Somali Republic unless the Government of the Somali Republic approves the activity to which the investment relates and recognizes that the Government of the United States of America may guarantee such investment.
3. If an investor transfers to the Government of the United States of America pursuant to an investment guarantee, (a) lawful currency, including credits thereof, of the Somali Republic, (b) any claims or rights which the investor has or may have arising from the business activities of the investor in the Somali Republic or from the events entitling the investor to payment under the investment guarantee, or (c) all or part of the interest of the investor in any property (real or personal, tangible or intangible) within the Somali Republic, the Government of the Somali Republic shall recognize such transfer as valid and effective.
4. Lawful currency of the Somali Republic, 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 guarantee shall be accorded treatment by the Government of the Somali Republic 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 the Somali Republic.
5. Any dispute regarding the interpretation or application of the provisions of this Agreement or any claim against the Government of the Somali Republic to which the Government of the United States of America may succeed as transferee or which may

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arise from the events causing payment under an investment guarantee 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.

Being the foregoing provisions acceptable to the Somali Government, it is agreed that your Note together with this reply constitute an Agreement between our two Governments on this subject and that the Agreement will enter into force on the date of this reply.

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

ABDULLAHI ISSA

(Abdullahi Issa)

*Minister of Foreign Affairs  
Somali Republic*

Mr. H. G. TORBERT,  
*Ambassador of the United States of America,  
Mogadiscio.*