

AMENDING PROTOCOL

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

TO

**THE AGREEMENT BETWEEN THE GOVERNMENT OF THE
STATE OF ISRAEL AND THE GOVERNMENT OF THE REPUBLIC
OF BULGARIA FOR THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS SIGNED IN JERUSALEM, ON
DECEMBER 6, 1993**

The Government of the State of Israel and the Government of the Republic of Bulgaria (hereinafter "the Parties");

Recalling the Agreement between the Government of the State of Israel and the Government of the Republic of Bulgaria for the Promotion and Reciprocal Protection of Investments signed in Jerusalem, on December 6, 1993 (hereinafter "the Agreement");

In order to comply with Bulgaria's obligations as a Member State of the European Union and in order to update the Agreement according to Israel's new Bilateral Investment Treaty Model;

Acknowledging that Bulgaria, pursuant to Article 351 of the Treaty on the functioning of the European Union and Article 6.10 of its Act concerning the conditions of accession of the Republic of Bulgaria and Romania and the adjustments to the Treaties on which the European Union is founded, must take all appropriate steps to eliminate incompatibilities between the Community Law and its other international treaties including the Agreement;

Have agreed on the following:

ARTICLE I

1. The existing paragraph of Article 5 shall be renumbered as 1.
2. The following shall be inserted as paragraph 2 of Article 5:

"2. Notwithstanding the forgoing, with respect to intellectual property rights, the Contracting Parties may permit the unauthorized use of an intellectual property right, provided such authorization is made in conformity with the principles set forth in the Agreement on Trade Related Aspects of Intellectual Property Rights ("TRIPS") (1994)."

ARTICLE II

1. Paragraph 1 of Article 6 shall be amended so that the paragraph would read:

"1. Without prejudice to the measures adopted by the European Union, each Contracting Party shall, in respect of investments, guarantee to investors of the other Contracting Party all the rights and benefits regarding the unrestricted transfer of their investments and returns which were in force on the day the current investment was implemented; provided, however, that the investor has complied with all his fiscal obligations and has fulfilled all the requirements of the exchange regulations. Transfers shall be effected without delay in the convertible currency in which the capital was originally invested or in any other convertible currency agreed by the investor and the Contracting Party concerned. Unless otherwise agreed by the investor, transfers shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force."

2. The following shall be inserted as paragraph 3 of Article 6:

"3. Notwithstanding the forgoing:

- (a) when a Contracting Party is in serious balance of payments difficulties or in serious difficulties for the operation of the exchange rate policy or monetary policy, or under threat thereof, that Contracting Party may, in conformity with the conditions laid down within the framework of the GATT and with Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictive measures which may not go beyond what is necessary to remedy the situation, for a period not exceeding twelve (12) months. The Contracting Party shall notify the other Contracting Party, as soon as possible, as to the measures taken, and the expected timetable for their removal.
- (b) such measures shall be equitable, non-discriminatory and in good faith."

ARTICLE III

Sub-paragraph (b) of Article 7 shall be amended to read:

"(b) any existing or future customs union, free trade area agreement or similar international agreement or economic or monetary union that includes a free trade area or a customs union, to which either of the Contracting Parties is or may become a party, within the meaning of "customs union" or "free trade area" in accordance with Article XXIV of the GATT Agreement."

ARTICLE IV

The following shall be inserted as Article 7-bis:

"Article 7 bis National Security Exceptions

Either Contracting Party may take measures strictly necessary for the maintenance or protection of its essential security interests. Such measures shall be taken and implemented in good faith, in a non-discriminatory fashion and so as to minimize the deviation from the provisions of this Agreement."

ARTICLE V

Article 14 shall be amended by renumbering the existent paragraph as 2 and by adding a new paragraph 1, having the following content:

"1. This Agreement may be amended by mutual consent of the Contracting Parties in writing. Any such amendment shall enter into force in accordance with the procedures set forth in Article 13 to this Agreement."

ARTICLE VI

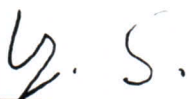
1. This Additional Amending Protocol shall form an integral part of the Agreement.
2. The interpretation of this Amending Protocol shall be in accordance to the terms and provisions of the Agreement.

ARTICLE VII

This Amending Protocol shall enter into force on the date of the latter written notification, through diplomatic channels, by which the Parties notify each other that their internal legal procedures for its entry into force have been completed, and shall remain in force so long as the Agreement shall remain in force.

In witness thereof, the undersigned, being duly authorized thereto, have signed this Amending Protocol.

Done at SOFIA this 7th day of JULY 2011, which corresponds to the 5th day of TAMMUZ 5771 in the Hebrew calendar, in duplicate, in the Hebrew, Bulgarian and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.



**For the Government of the
State of Israel**



**For the Government of the
Republic of Bulgaria**