

Memorandum of Understanding

Between

The Ministry of Finance and National Economy of the Kingdom of Bahrain

and

The Ministry of Finance of the State of Israel

The Ministry of Finance and National Economy of the Kingdom of Bahrain and the Ministry of Finance of the State of Israel, (hereinafter jointly referred to as “the Parties” and individually as “Party”);

Guided by the principles enshrined in the “*Declaration of Peace, Cooperation and Constructive Diplomatic and Friendly Relations*” signed by the Kingdom of Bahrain and the State of Israel in Washington DC on 15th of September 2020;

Reaffirming the principles enshrined in the “*Abraham Accords Declaration*” signed by the Kingdom of Bahrain, the State of Israel, the United Arab Emirates and the United States of America in Washington DC on 15th of September 2020;

Further to the “*Joint Communiqué on the Establishment of Diplomatic, Peaceful and Friendly Relations*”, signed by the Kingdom of Bahrain and the State of Israel in Manama on 18 October 2020, and in particular Article 4 thereof;

Desiring to promote further development of bilateral relations and cooperation between the two countries for the benefit of both their peoples;

Recognizing the importance of expeditiously deepening and broadening bilateral trade and investment relations and the key role of direct foreign investment in economic development;

Committed to protecting investors, consumers, market integrity and financial stability, as well as maintaining relevant regulatory standards;

Determined to develop and strengthen their economic cooperation for the benefit of their people and the region as a whole;

Have reached the following understandings:

Article 1

The Parties shall begin economic cooperation and shall strive to reach bilateral agreements, with a view to increasing bilateral investments and trade. This shall include:

- Discussion on the necessary arrangements to create an environment for safe and secure mutual investments;
- Discussion with a view to begin negotiation on an agreement for the promotion and protection of investments (bilateral investment treaty);
- Discussion to advance best practices for the reduction of financial investment barriers;
- Discussion to improve access to trade financing;

Article 2

The Parties, together with their respective financial regulators and other relevant authorities, according to their respective responsibilities, shall strive to reach necessary arrangements and establish cooperation and coordination in the sphere of investments and financial services. This shall include:

- Holding discussions on the necessary arrangements to create an environment of safe and secure mutual investments and financial services that meets relevant international standards;
- Holding discussions on standards and regulations of financial services;
- Facilitating cooperation to increase the use of financial technology and to promote innovation.
- Establishing ongoing cooperation channels for sharing relevant know-how and insights regarding financial markets and discussing potential initiatives of mutual interest.

Article 3

Each Party will keep confidential any confidential information received from the other Party in the course of implementation of this Memorandum of Understanding and will not disclose the same to any third party without the joint written consent of both Parties.

Article 4

Any differences that may arise out of or in relation to the interpretation or implementation of the provisions of this Memorandum of Understanding will be settled amicably through consultations or negotiations between the Parties through diplomatic channels.

Article 5

This Memorandum of Understanding may only be modified by the mutual written consent of the Parties. Such modifications will come into effect on the date agreed upon between the Parties.

Article 6

- a) This Memorandum of Understanding shall enter into effect on the date of its signature and shall remain in effect for a period of five (5) years. It will automatically be renewed for successive periods of five (5) years, provided neither Party notifies the other in writing of its intention to terminate it at least (6) months prior to the desired date of termination.
- b) In event of termination, all ongoing projects and/or activities initiated by the Parties under this Memorandum of Understanding, that have not been completed at the date of termination, will remain valid and effective until the date of its completion, unless the Parties agree otherwise.

Done at Manama on this day 30 Tishrey, 5781, 1 Rabi al-Awwal, 1442, which corresponds to 18th of October 2020 in duplicate, in the English language.

**For the Ministry of Finance and
National Economy of the
Kingdom of Bahrain**



**For the Ministry of Finance
of the State of Israel**

