



AGREEMENT

of the Organization of Arab Petroleum
Exporting Countries

In the Name of God, The Gracious, The Merciful.

This Agreement was entered into in the city of Beirut on 9 January 1968, corresponding to 9 Shawwal, 1387 between and among:

The Government of the Kingdom of Saudi Arabia, represented by His Excellency Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources;

The Government of the State of Kuwait, represented by His Excellency Mr. Abd al-Rahman Salim al-Atiqi, Minister of Finance and Oil;

The Government of the Kingdom of Libya, represented by His Excellency Mr. Khalifah Mousa, Minister of Petroleum Affairs.

Agreement For the Establishment of an Arab Organization for the Petroleum Exporting Countries

The Arab Petroleum Exporting Countries signatories to this agreement,

Recognizing the role of Petroleum as a principal and basic source of their income which they should develop and safeguard in such a way as to provide them with the utmost legitimate benefits, and

Being Aware that Petroleum is a depleting resource and that fact places upon them the charge vis-a-vis future generations of conserving it and the responsibility of utilizing the wealth derived from it in economically diversified investments in productive and developing projects having the essentials of vitality and prosperity, and

Believing that the rational utilization of this asset is related to the role of Petroleum in serving the economies of the consumer countries and consequently entails due consideration for the legitimate interests of said countries in obtaining Petroleum supplies for their markets on equitable terms conducive to the well-being of humanity, and

Partaking in the development and prosperity of the world Petroleum industry, and

Anticipating the achievement of close and fruitful cooperation among themselves in such fields,

Have agreed upon the following:

A. The Organization, its Objectives and Powers

Article ONE

- (a) There shall be established in accordance with this Agreement an organization called "The Organization of Arab Petroleum Exporting Countries" hereinafter referred to as "the Organization"
- (b) The Organization shall be domiciled in the City of Kuwait in the State of Kuwait.

In particular, the Organization may acquire and own moveable and immoveable property, perform legal transactions, as well as sue and be sued in its own name.

- (b) The Organization shall enjoy in the territories of its members such immunities and privileges as are necessary for the fulfillment of its objectives and the performance of its activities, and the premises it occupies shall enjoy immunity. All such shall be defined in detail in a protocol to be appended to this Agreement.

Article FIVE

The Organization may conclude agreements with members, or with other countries, or with a federation of states or with an international organization, and especially agreements for establishing joint projects in various phases of economic activity in the petroleum industry.

Article SIX

- (a) The contractual liability of the Organization shall be governed by the law of the contract entered into. The liability for tort shall be governed by the common general principles of law of the members.
- (b) The rights and duties of the Organization's personnel shall be subject to the provisions of this Agreement and to the statutes, regulations and decisions issued in accordance with it.

B. Membership of the Organization

Article SEVEN

- (a) The founding members of the Organization are the signatories to this Agreement.
- (b) Any Arab country may join the membership of the Organization provided the following conditions are fulfilled:
 - (1) Petroleum should constitute a significant source of its national income.
 - (2) It should adhere to the provisions of this Agreement and amendments which may be made to it.
 - (3) The Council referred to in Article Eight below should approve its membership by a majority of three-quarters of the votes provided all the votes of the founding members are included.

C. Organs of the Organization

Article EIGHT

The Organization shall carry out its functions and responsibilities through the following organs:

First: A Council of Ministers, hereinafter referred to as "the Council".

Second: An Executive Bureau, hereinafter referred to as "the Bureau".

Third: A General Secretariat hereinafter referred to as "the Secretariat".

Fourth: A Judicial Board hereinafter referred to as "the Board".

First: The Council

Article NINE

The Council shall be composed of one representative from each member country, who shall be the minister of petroleum or someone enjoying a comparable degree of responsibility for petroleum affairs.

The representative may be accompanied by a number of assistants at meetings of the Council.

Article TEN

The Council is the supreme authority of the Organization, responsible for drawing up its general policy, directing its activity and laying down the rules governing it.

Without prejudice to the generality of the foregoing paragraph of this article, the Council shall be concerned with the following:

- (a) Deciding on applications for joining the membership of the Organization and approving invitations to petroleum exporting countries to attend its meetings.
- (b) Taking resolutions, making recommendations, and giving advice with regard to the general policy of the Organization, or its attitude or the attitude of a particular member or particular members vis-a-vis a particular situation or issue or particular situations or issues.
- (c) Choosing negotiators and appointing committees to negotiate on behalf of the Organization.
- (d) Approving draft agreements reached by the Organization.
- (e) Issuing the necessary regulations and amendments thereto.
- (f) Approving the Organization's draft annual budget, and ratifying the end-of-year accounts.
- (g) Appointing the Secretary General and Assistant Secretaries.
- (h) Supervising and directing the work of the Bureau and the Secretariat.
- (i) Matters which this Agreement or the regulations did not expressly provide for to be within the competence of any other organ.

Article ELEVEN

Voting in the Council shall be subject to the following provisions:

- (a) Each member of the Organization shall have one vote.
- (b) In order to constitute a quorum for the meetings of the Council, three-quarters of the total members must be present provided there shall be included among them two founding members at least.
- (c) Statutes shall be issued by the Council, and resolutions on substantive matters shall require a majority of three-quarters of the total votes of the members, including those of at least two founding members.
- (d) Resolutions of the Council on procedural matters shall be carried and its recommendations and advice adopted by a simple majority vote of all the members.
- (e) The Council shall determine, by a simple majority vote of all the members, which matters shall be considered substantive and which procedural.

Article TWELVE

- (a) Statutes shall be generally applicable and binding upon all the members.
- (b) Resolutions shall have binding authority on those whom such resolutions concern.
- (c) Neither the recommendations nor the advice of the Council shall be of a binding nature.
- (d) Without contravening the provisions of Article Twenty Three of this Agreement, a resolution which is binding on any one of the members shall provide for the solidarity of all the other members with the member concerned and shall, upon the request of such member, be accompanied by guarantees from the Organization for protection against any damage to which such member may be exposed and, should the occasion arise, for the sharing by all the members of the burden of such damage.
- (e) Statutes or resolutions of a binding nature which are issued by the Council shall be subject to ratification by the competent authorities in the member countries according to the legal rules in force.

Article THIRTEEN

- (a) The Council shall convene at the Headquarters of the Organization, and may also be convened in the territory of any member or of any other country if it deems it necessary.
- (b) The Council shall convene at least twice a year, extraordinary sessions may be convened at the request of one of the members or the Secretary General.

- (c) Representatives of the member countries shall assume the chairmanship of the Council by rotation according to the alphabetical order of the countries they represent, each for a period of one year.

Second: The Bureau

Article FOURTEEN

The Bureau shall be composed of one representative from each of the member countries, such representative to be appointed by the country concerned. The representatives shall assume chairmanship of the Bureau by rotation according to the alphabetical order of the member countries each for a period of one year.

Article FIFTEEN

The Bureau shall have the following competences:

- (a) Consider matters relating to the application of this Agreement and the Organization's performance of its activities and functions.
- (b) Submitting such recommendations and proposals as it sees fit to the Council concerning matters falling within the scope of this Agreement.
- (c) Approve the staff regulations of the Secretariat and introduce appropriate amendments thereto after consultation with the Secretary General.
- (d) Review the Organization's draft annual budget and refer it to the Council together with the Secretary General's observations.
- (e) Draw up agendas for the Council.
- (f) Such functions and tasks as may be assigned to it by the Council.

Article SIXTEEN

- (a) The Bureau shall convene at the invitation of its chairman before every Council meeting in time to allow it to prepare the Council agenda.
- (b) The Bureau may hold two meetings at other times at the invitation of its chairman, upon the request of one of the members or the Secretary General.
- (c) The Bureau shall convene at the Headquarters of the Organization, and may also be convened in the territory of any member country or any other country if it deems it convenient.
- (d) Resolution of the Bureau shall be carried by a majority of two-thirds of the votes of all members in accordance with the provisions of Paragraph (a) of Article Eleven of this Agreement.

Third: The Secretariat

Article SEVENTEEN

- (a) The Secretariat shall be composed of the departments and committees laid down by the statutes and shall assume the planning, administrative and executive aspects of the Organization's activity in accordance with the statutes and directives of the Council.
- (b) The seat of the Secretariat shall be the headquarters of the Organization.

Article EIGHTEEN

- (a) The Administration of the Secretariat shall be assumed by a Secretary General, aided by Assistant Secretaries who shall number no more than three unless the Council approves an increase in this number.
- (b) The Secretary General and the Assistant Secretaries shall be nationals of the member countries, with adequate experience in petroleum affairs, and not more than two of them shall be selected from the same nationality.
- (c) The Secretary General shall be appointed by decision of the Council for a period of three years extendable for a further period or periods.

The Assistant Secretaries shall be appointed by decision of the Council for a period of four years extendable for a further period or periods.

- (d) The Secretary General shall be the official spokesman for the Organization. He shall be its legal representative within the limits of the powers vested in him by this Agreement, the statutes, resolutions and directives which may be issued in accordance with it. The Secretary General shall be responsible before the Council for carrying out the tasks and duties of his office.

Article NINETEEN

- (a) The Secretary General shall be charged with administering and directing the Secretariat, effectively supervising all aspects of its activities, and carrying out the tasks assigned to him by the Council.

The departments and committees of the Secretariat shall carry out their task in accordance with his instructions and directives within the limits of the powers vested in him.

- (b) The Secretary General shall carry out the duties of Secretary to the Council and the Bureau whenever either of them is meeting. He may delegate one of the Assistant Secretaries to act as Secretary for the Bureau.

Article TWENTY

- (a) The Secretary General, Assistant Secretaries and all the personnel of the Secretariat shall carry out their duties in full independence and in the common interest of the Organization's member countries, and they are not permitted in the performance of their duties to seek or accept instructions from any governmental or non-governmental body. They are required to refrain from any action inconsistent with their duties and, before assuming their posts, to swear to respect the obligations of their office and not to disclose its secrets during or after their service except in cases when the Organization gives its permission. The members of the Organization must respect the neutrality of the Secretary General, the Assistant Secretaries and all the Secretariat's personnel and refrain from trying to influence any of them in any way whatever.
- (b) The Secretary General and the Assistant Secretaries shall enjoy in the territories of the Organization members all diplomatic immunities and privileges, while the remaining personnel of the Organization shall enjoy the immunities and privileges necessary for the performance of their tasks and functions in freedom and independence.
- (c) The Council shall fix the salaries, allowances and grants to be paid to the Secretary General and the Assistant Secretaries and likewise the administrative and financial bases on which they are treated.

Four: The Judicial Board

Article TWENTY ONE

A Judicial Board shall be attached to the Organization, the manner of whose formation and the bases of whose organization shall be agreed upon by the signatories to this Agreement in a special Protocol attached to the Agreement. Hereinafter, it shall be referred to as the Board.

Article TWENTY TWO

The judges of the Board shall be chosen from persons whose impartiality is not in doubt and who fulfill the necessary conditions for holding the highest judicial positions in their countries, or are jurists of international repute. The Council shall appoint the judges in accordance with the conditions and procedures laid down in the Protocol of the Board.

The judges shall take an oath of impartiality, integrity and respect for the Protocol of the Board before the Council.

Article TWENTY THREE

- (1) The Board shall be competent to consider the following disputes:
 - (a) Disputes relating to the interpretation and application of this Agreement and the implementation of the obligations arising from it.
 - (b) Disputes which arise between two or more members of the Organization in the field of petroleum operations.
 - (c) Disputes which the Council decides that the Board is competent to consider.

- (2) Subject to the approval of the parties to the dispute, the following disputes may be referred to the Board for decision:
 - (a) Disputes arising between any member and a petroleum company operating in the territory of the said member.
 - (b) Disputes arising between any member and a petroleum company belonging to any other member.
 - (c) Disputes arising between two or more members of the Organization, other than what is provided for in paragraph (1) of this Article.

Article TWENTY FOUR

The judgements of the Board shall be considered final, binding and res judicata on the parties to the dispute and shall be enforceable per se in the territories of the members.

The party concerned shall present the judgement to the local authority responsible for execution, and the competent local authorities shall, after verifying that the document forwarded is official, execute the judgement.

Article TWENTY FIVE

The judges of the Board shall enjoy all diplomatic immunities and privileges in the territories of the Organization's members.

D. Budget of the Organization

Article TWENTY SIX

The Secretary General shall draw up the draft of the Organization's annual budget and submit it to the Council via the Bureau not later than the end of September of the year preceding the implementation of the budget. If the Council has not approved the budget by the beginning of the financial year, the budget of the previous year shall be effective on a monthly basis until the Council approves the new budget.

Article TWENTY SEVEN

The members of the Organization shall contribute to the budget of the Organization in equal shares.

E. General Provisions

Article TWENTY EIGHT

The members of the Organization shall cooperate closely with its organs, coordinate their petroleum policies to the extent necessary to achieve its aims, take all necessary measures to assist the Organization in performing its tasks and to meet their obligations arising out of this Agreement, and refrain from any action which might impede the execution of the Organization's affairs and projects.

Article TWENTY NINE

The members' policies relating to petroleum affairs shall be considered to have a mutual importance, and on this basis, the members undertake to consult among themselves and within the framework of the Organization so as to coordinate their attitudes and such measures as they may take in respect of current situations and circumstances in the petroleum industry.

Article THIRTY

If one of the members is faced with a sudden and serious emergency, the member concerned is entitled to take the necessary precautionary measures, taking all possible care to ensure that such measures do not exceed the minimum required to confront the difficulties that have arisen and do not affect the continued functioning of the Organization's activities.

The member concerned shall immediately inform the Chairman of the Council of the precautionary measures which it has taken, and should the situation require, the Chairman shall convene the Council for an extraordinary meeting to consider the matter.

Article THIRTY ONE

The organs of the Organization shall endeavour not to do harm to the internal stability of the Organization's members and shall refrain from any action liable to disturb their foreign relations.

Article THIRTY TWO

This Agreement does not oblige any member to disclose information whose disclosure would threaten its own essential security interests.

The members undertake to confine the withholding of information under the preceding paragraph within the narrowest possible limits.

Article THIRTY THREE

In the application of the provisions of this Agreement, a year shall mean the solar year running from 1 January to 31 December, inclusive.

Article THIRTY FOUR

The Organization shall, by way of the Secretariat, enter into appropriate contacts with the organs of the United Nations and its specialized agencies, as well as with other organizations.

Article THIRTY FIVE

The protocols which the parties to this Agreement add to this Agreement shall be considered an integral part of it.

Article THIRTY SIX

This Agreement shall remain in effect for an indefinite period and the amendment of its provisions may be considered every ten years or upon the request of half the members. Such amendment shall require a decision of the Council carried by a majority of three quarters of the votes of all the members.

Article THIRTY SEVEN

- (a) This Agreement shall be ratified by the signatory parties in accordance with their respective constitutional procedures, and the original instruments of ratification shall be deposited with the Government of the State of Kuwait within one month of the signing of this Agreement. Copies of them shall be kept by the members.
- (b) This Agreement shall come into effect on the first day of the month following the date on which all members have deposited the instruments of ratification; however, if the deposition is completed in the second half of the month, this Agreement shall come into effect as of the beginning of the second month following.

**For the
GOVERNMENT OF
THE KINGDOM OF
SAUDI ARABIA**

**For the
GOVERNMENT OF
THE STATE OF KUWAIT**

**For the
GOVERNMENT OF
THE KINGDOM OF LIBYA**

