

# Agreement between the United Arab Emirates and the Hashemite Kingdom of Jordan for Promotion and Mutual Protection of Investments

The United Arab Emirates and the Government of the Algerian People's Democratic Republic referred to as the "Contracting State".

Whereas the two states have the desire to create favorable conditions for the development of economic cooperation between themselves and in particular for investments made by investors who affiliate a Contracting State in the region of the other Contracting State.

Recognizing that mutual encouragement and protection for such investments will be an incentive for the revitalization of business initiative and increase prosperity in both States

They have agreed on the following:

## Article 1. Definitions

For the purposes of this Agreement, unless the context requires otherwise

1. The term "investment" means: all types of assets that are located in a Contracting State and owned or supervised by an investor who follow other Contracting State, directly or indirectly, whether through affiliates or subsidiaries in a Contracting State or third country. This term includes in particular and not limited to:

(a) Movable and immovable properties and any other ownership of rights, such as rents, mortgages, privileges of debt, mortgage possessory and beneficiary rights and other similar rights.

(b) A company or business venture, joint venture, shares, stocks, and other forms of contribution in the property, bonds, debentures, and other forms of religious rights in a company or business venture or joint venture debt, other loans and securities issued by any investor of a Contracting State.

(c) Claims to money and claims of any other assets or performance according to a contract with an economic value associated with an investment.

(d) Intellectual and industrial property rights, including without limitation, copyright, trademarks, patents, designs, industrial models, technical operations, expertise, trade secrets, trade names and commercial fame.

(e) Any right decided by law or contract or under any licenses or permits granted in accordance with the law in force.

Any change in the form in which assets invested in assets or have been re-invested in shall not affect its nature as an investment (in accordance with the systems in place in the host country).

The term "investment" also applies on habits conserved for the purpose of re-investment resulted from "liquidation" according to definition of these terms are defined later.

2. The term "investor" means for a Contracting State:

(a) A natural person holding the nationality of the Contracting State in accordance with the laws in force, or

(b) The Government of the contracting State, its bodies and its financial institutions, or

(c) Any legal person or other entity established legally pursuant to the systems of that contracting State such as institutes, development funds, bodies, institutions, charities and science facilities, agencies, projects, cooperative societies and companies of different forms and types, trade unions or any similar entity or entities or any entity established outside the

contracting authority of the state as a legal person owned or supervised by the Contracting States or any of its citizens or any entity established within the scope of its authority and engaged in actual economic activities in the territory of the Contracting Party who host the investment.

3. The term "revenues" means any amounts realized by the investment regardless of the form it is paid which includes in particular, but not limited to profits, interest, capital gains, dividends, management fees, technical assistance or in-kind payments of any kind.

4. The term "liquidation" means any act carried out for the purpose of total or partial termination of the investment.

5. The term "territory":

For the United Arab Emirates: in geographical sense, region or territory of the United Arab Emirates, which includes the territorial waters, islands, exclusive economic zone, continental area and airspace, and all other extended areas outside the territorial waters of the United Arab Emirates on which the United Arab Emirates practices its sovereignty rights in accordance with their national legislations and in accordance with international law, for the purposes of discovery, extraction, exploitation and investment of natural resources.

For the Hashemite Kingdom of Jordan: All the lands of the Hashemite Kingdom of Jordan and territorial waters, including the bottom of the sea and all other territories extended outside the territorial waters of Jordan, where it exercises sovereign right according to international law and the laws of Jordan for the purposes of discovery, extraction and capitalize on the natural resources, whether living or unliving, and all other rights that resides in the water, land and under the sea bottom.

6. The term "associated activities" means the activities related to investment which are exercised in accordance with the laws of the host contracted state for investment and includes without limitation those activities such as:

(a) Establishment, management, and maintenance of branches, agencies, offices, or other facilities for the management of work.

(b) Establishing companies or acquiring companies or interests in companies or property, administration, management, maintenance, use, enjoyment, expansion, and sale or liquidation or termination or any other disposal in companies organized or acquired.

(c) Concluding and implementation of contracts related to investments.

(d) Acquisition, ownership, use and disposition in property of all kinds in any legal means, including intellectual property, as well as protect them.

(e) Borrow money from local financial institutions, as well as buying foreign money for the implementation of investments in accordance with the laws and regulations of the host country.

7. The term "freely convertible currency" means any currency freely used on a large scale for the purpose of making payments for international transactions or currencies that have buyers are present in the major currency markets.

8. The term "without delay" means that period, which is usually required to complete the necessary formalities for the transfer of payments. The above mentioned period begin from the day of submitting the transfer request provided that that it does not exceed in any case (90 days).

## **Article 2. Encouragement of Investments**

1. Each of the Contracting States and in accordance with its laws and regulations in force protect and encourage investment in its territory by the affiliated investors for Contracting State.

2. Each of the Contracting States for the accepted investments in its territory grant these investments, the related activities, related permissions , approvals, permits, licenses and permits necessary to the extent permitted in accordance with the principles and conditions specified in laws and regulations.

3. Contracting States shall consult with each other in any suitable to encourage and facilitate investment opportunities within each region, each way.

4. Each of the Contracting States shall act in accordance with their laws and regulations related to the entry, residence and work of natural persons and shall study the applications of affiliated investors other who affiliate to the Contracting State, applications of high management personnel of technicians, competent administrators for the purposes of investment for the entry and temporary residence in its territory. It also gives immediate family members the same treatment in relation to

entry and temporary residence in the host Contracting States.

Both Contracting States allow in accordance with the laws and regulations for investors of Contracting State who have investments in its territory in recruiting any major person chosen by the investor, regardless of nationality or citizenship.

### **Article 3. Protection of Investments**

1. Investments exercise by investors of either Contracting State in complete protection and safety in other Contracting State territory, according to its laws in conformity with the recognized principles of international law and the provisions of this Agreement. None of the two Contracting States in any respect whatsoever to take cruel or discriminatory procedures that may lead to damage such investment or related activities, including the use and enjoyment the management, development, maintenance and expansion of investments.

2. Each of the Contracting States as much as possible announce or inform investors about all laws, regulations, judgments, orders, administrative procedures and guidelines related to or affected by direct investments and related activities in its territory for investors affiliated to other Contracting State.

3. Each of the Contracting State shall work to provide effective means to confirm the claims and the implement the rights with respect to investments, and shall guarantees for investors of the other Contracting State the right to resort to courts of law, judicial courts, administrative bodies and all other devices that exercise judicial authority.

4. It is not allowed to any of the Contracting States to impose on investors of other Contracting State to make any compulsory procedures that may require or restrict the purchase of materials, energy, fuel or means of production, transportation or operation of any kind or restrict the marketing of products inside or outside the territory of the host Contracting State in favor of investments carried out by investors or a third country investors.

5. In addition to that, it is not allowed to subject investments in the host Contracting State to any performance requirements which may have a negative impact on its use, enjoyment or management or maintenance or expansion or the other associated activities unless these requirements deemed necessary for considerations of public health or public order or environment and has been applied under the general legal tool which is applicable in accordance with the laws in force.

6. It is not necessary to subject investments made by affiliated investors to any of Contracting States in the host guarding Contracting State or confiscation or any similar measures except in accordance with legal procedures and in accordance with the principles of international law and other relevant provisions of this Convention.

7. Each of the Contracting States shall take into account any obligation or commitment may be a party with regard to its investments and related activities in its territory to investors affiliate to the other Contracting State.

### **Article 4. Most Favored Nation Provisions**

1. Each Contracting State in at all times for investments undertaken by the territory investors who affiliate for other Contracting State fair and equitable treatment, treatment should not be less preference than that granted in similar conditions for special investments for its investors of a third state investors whichever have the most care.

2. Each Contracting State grants investors of other Contracting State regarding activities associated with its investments including the use and enjoyment in the management and development, maintenance and expansion or disposal of such investments a treatment not less favorable than the treatment granted to its investors or to investors of a third state, whichever is the most favorable.

3. Nevertheless, the provisions of this Article shall not be interpreted as a commitment for the Contracting State to submit to the investors affiliated to other Contracting State any transaction advantage, favor, privilege resulted to:

(a) Any customs union or economic union or a free trade area or a monetary union or any other form of economic regional arrangement, or any other international agreement similar to any of the Contracting States to be a party or may become a party in it or

(b) Any international agreement, regional or bilateral agreement or any other arrangement similar or any local legislation related wholly or mainly to taxation.

(c) Investment contracts in the field of oil.

4. The provisions of this Article shall not apply to procedural and judicial matters and those relating to the settlement of disputes.

## Article 5. Compensation for Damage or Loss

1. Investors of one of the Contracting State whose investments in the territory of the other Contracting State exposed to damages or losses due to war or other armed conflict or a state of emergency or revolt or disturbances or riots or other similar events, shall be offered a treatment from the latest contracting state in respect of returning the situation to what it was or refund the losses or compensation or any other settlement not less favorable than those granted by the latter Contracting State to its investors or investors of a third country, whichever is more favorable.

2. Without prejudice to the foregoing paragraph, the investors from one Contracting State who have suffered damage or losses as a result of any of the events referred to in that paragraph in the territory of the other Contracting State resulting from:

(a) Temporary seizure of their property or a part of it by its forces or authorities; or

(b) The destruction of their property or part thereof by its forces or authorities without being due to combat operations or that was not required by the necessity of the situation,

shall be given prompt, adequate, and effective compensation for damage or loss caused to them during custody or as a result of the destruction of their property, and resulting payments must be paid in freely convertible currency and be freely transferred without delay.

## Article 6. Expropriation

1. (a) Investments of any of the Contracting State or their national or legal persons are not subjected to judicial custody or confiscation or any similar measures except by order of a competent court issued based on the laws in force.

(b) No one of the Contracting States alone or by one of its bodies or local institutions may take or allow to take any action or procedure that may directly or indirectly lead to compromising the ownership of the investment or confiscate the investor wholly or partly from some fundamental rights or from performing powers on the ownership, possession or from using capital in actual control of the investment or its management.

(c) No Contracting State shall nationalize or expropriate or freeze or subjugate of the investments of the other Contracting State or any natural or legal persons belonging to it, or execute measures with effect equivalent to nationalization or expropriation, whether directly or indirectly in the other Contracting States, including the imposition of taxes or forced sale of whole investment or a part of it.

All of the practices mentioned in paragraph (b) and (c) are referred to as expropriation unless the expropriation:

1. Was done for the public interest.

2. Executed under penalty of law in accordance with the Constitution of the host country.

3. Non-discriminatory.

4. Issued by the competent judicial authorities.

5. The competent judicial or administrative authority in the host country grants the right of the investor to immediate review to determine whether the expropriation has already been done and is legal according to the rules.

6. The investor has the right to challenge the conduct of expropriation or any interim measures to the competent authorities in the court of the other country that has taken such measures.

7. The expropriation must be accompanied by adequate, effective and fair compensation.

2. (a) Such compensation is calculated based on the fair market value of the investment immediately prior to the moment in which the decision of the nationalization, expropriation was announced or becomes known by the public, the compensation is determined in accordance with the principles of valuation recognized as the market value. If the market value cannot be easily determined, the compensation is determined based on fair principles that take into account –without limitation– the investor capital value and the duration of consumption and the capital actually resettled, the replacement value, the commercial goodwill and other related factors.

In the case of a delayed payment of compensation, such compensation amount should be paid in a way that puts the investor in a position not less favorable than the position which could be achieved in if an immediate compensation was paid to the investor in the day of expropriation or nationalization, to achieve this goal the compensation must include

additional compensation reflects the interest rates prevailing in the market, and the currency in which the investment is done from the date of nationalization or expropriation until the date of payment.

(b) In the case a Contracting State nationalize or expropriate an investment of a legal person has been established or licensed under the law in force in the territory and the other Contracting State and any of its investors own shares, stocks, bonds or other rights or interests in this legal person, then the contracting state shall guarantee the payment of immediate, adequate and effective compensation and allow the re-conversion of the compensation. This compensation is determined and paid according to the provisions of paragraphs (1)(c) (7), and (2)(a) of this Article.

3. In the light of the principles set forth in the preceding paragraph and without prejudice to the investor's rights set forth in Article (9) of this Agreement, the investor affected has the right of immediate review of the case, by a judicial authority or other independent specialized authority affiliated to that contracting state, including its investment evaluation and payments of compensation for this investment.

4. For more emphasis, the expropriation includes cases where a Contracting State expropriate the ownership of the company assets or a project created or established under the laws in force in its territory which is an investor of the other Contracting State and an investment in it through ownership of shares or quotas or debt bonds or other rights.

5. The term "expropriation" includes interventions or statutory measures by a Contracting State such as freezing or restrict investment or impose a different tax to customs or overpriced for investment or compulsory sale of all or part of the investment or the other similar measures that have the same effect such as the confiscation or expropriation of property or which result in depriving the investor in fact from his ownership or management over the core elements of the investment or which may result in the loss of or damage to the economic value of the investment.

## **Article 7. Transfers**

1. Both Contracting States ensure to the investors who affiliate to the other Contracting State the free transfer of payments related to investment inside and outside its territory, including the transfer of:

(a) The original capital and any additional capital to maintain, manage, and develop the investment.

(b) The revenues.

(c) Payments under a contract, including the repayment of the original debt and interest payments, owed under a loan agreement.

(d) Royalties and fees for the rights referred to article (1) (d) of this Agreement.

(e) The revenues accrued from the sale or liquidation of all or any part of the investment.

(f) The incomes and gains of contracted workers and employers who are allowed legally and linked to the investment.

(g) Compensation payments in accordance with articles (5) and (6) of this Agreement.

(h) Payments referred to in Article (8) of this Agreement.

(i) Payments arising from the settlement of disputes.

2. The payments received under paragraph (1) are transferred without delay or restrictions with a freely convertible currency.

## **Article 8. Subrogation**

1. If the Contracting State or its agency concerned or any other agency involved by it ("guarantor Party") was founded or has been constructed in that State to pay compensation or a payment under guarantee against non-commercial risks undertaken by and related to the exploitation of the other Contracting State territory ("the host State"), the host state should recognize:

(a) Waiving for the guarantor party under the law or legal agreement for all rights and claims arising from such transaction.

(b) The guarantor party is entitled to exercise such rights and the implementation of those claims and liabilities related to investment based on the principle of the displacement of the creditor (subrogation).

(c) The displacement of the creditor is done only after the approval of the concerned authorities in both countries.

## **Article 9. Settlement of Disputes between a Contracting State and an Investor**

1. Disputes between the Contracting State and an investor of the other country with regard to an investment or revenues in the territory of the other Contracting Party are to be settled amicably.
2. If the dispute cannot be settled by an amicable settlement within six months from the date of request of any party of the delivered in a written notification to the other party, then the dispute must be submitted to the competent local courts and centers of the settlement of official disputes in the host country of capital, and if a satisfactory verdict to any party was not issued during twelve months, the party may resort to the International Centre for the settlement of investment disputes.
3. In the case that the investor chooses to display the dispute to the international arbitration, it is incumbent upon the investor to notify the party who host the investment in writing before submitting written consent to display the dispute to the International Centre for Settlement of Investment Disputes ("center"), which was created based on the Agreement of Settlement of Investment Disputes between States and nationals of other States, opened for signature in Washington on 18 March -1986 (Washington Convention), and the Center shall notify the Contracting State, the investment in oil sector is not subjected to the jurisdiction of the center.
4. Either Contracting State shall not grant the diplomatic protection or apply an international claim related to any dispute it has forwarded to the arbitration, except in the case of failure of the other Contracting State in the commitment in or the application of the judgment issued for that dispute. Diplomatic notes can be exchanged only for the purpose of facilitating the settlement of the dispute .
5. In the case of the contracting parties reached a mutual agreement to end the dispute during any stage of dispute proceedings, Contracting Parties commit themselves to withdraw the dispute from the International Centre for Settlement of Investment disputes (ICSID).

## **Article 10. Settlement of Disputes between the Contracting States**

1. The Contracting States shall as far as possible settle any dispute concerning the interpretation or application of this Agreement through consultations or other diplomatic channels.
2. If the dispute has not been settled within six months from the date of the request for such consultations or settlement or through diplomatic channels, by any of the Contracting States and Unless the States Contracting writing to the contrary, it is permissible for any Contracting State through writing other than this, it is allowed for the Contracting State through a written notice for the contracting country offer the conflict on the Arab League apparatuses and if the dispute is not resolved, it is offered after the approval of the parties on arbitration court established for this purpose, an arbitration court in accordance with the following provisions of this Article.
3. The arbitration court is established as follows: each Contracting State appoints one member and the two members agree on a citizen from a third country. Both countries have diplomatic relations with it to be a president for two who is appointed by the Contracting States. Those two members are appointed within two months and the president within four months from the date of notification any of the Contracting State the other Contracting State about its intention to submit the dispute to an arbitration court.
4. If the specified periods are not taken into account as in paragraph (3), it is allowed for any of the two Contracting States in the absence of any other arrangement, to call the President of the International Court of Justice to make the necessary appointments. If the head of the International Court of Justice is a national of a Contracting State or there is any impediment prevents his performance for the task mentioned, the Vice President of the International Court of Justice make the necessary appointments but if the Vice President of the International Court of Justice is a national of a Contracting State or there is any obstacle of performance of the task mentioned, the member of the International Court of justice follows him in seniority and who is not a citizen of a Contracting State should make the necessary appointments.
5. The arbitral tribunal shall take its decision by a majority of the votes. This decision is made in accordance with the provisions of this Agreement and recognized rules of international law, according to its application and shall be final and binding for both Contracting States and each of the Contracting State shaéé bear the fees of the respective member of the arbitral tribunal appointed by the Contracting State as well as the fees of its representative in the proceedings. However, the fees of the President of the arbitral tribunal as well as any other costs shall be borne by both Contracting States equally between them. The arbitral tribunal may, at its discretion, decides to award one of the Contracting State the largest percentage or the full costs mentioned. The arbitral tribunal shall determine the special court proceedings in respect of all the other things.

6. In the case that the contracting parties reach a mutual agreement to end the conflict during any stage of the conflict procedures, the contracting parties shall be committed to withdraw the dispute from the arbitration tribunal.

## **Article 11. Application of other Provisions**

1. If the legislation applicable in any Contracting State or whether obligations under existing international law at the present time or held at a later date between the Contracting States in addition to the provisions of the present Agreement, whether were public or specific, empowered the investments made by affiliated investors of the other Contracting State to grant a treatment more favorable than the treatment provided by the present Agreement, such legislation prevails over provisions of the present Agreement, to the extent they are more favorable.

2. Investments subject to special contracts and commitments of the Contracting State to the investors of the other Contracting State governed -regardless of the provisions of this Agreement- the provisions of those contracts and commitments where the provisions more favorable than those set forth in this Agreement.

3. Each Contracting State shall take into account any obligation it may be committed to towards the investments of investors affiliated to the other Contracting State.

4. Exempted from the application of the provisions of this Agreement investors whose investments do not have physical presence in the territory of the Contracting State are not engaged in real investment activities as investors recognized by the Contracting State.

## **Article 12. Scope of Agreement**

This Agreement shall apply to all investments, whether existing before the date of entry into force of this Agreement or made after that date by the investors of either Contracting State in the territory of the other Contracting State except for the disputes related to investments existed before the entry into force of this Agreement or those on which final provisions were issued.

## **Article 13. Exception of Oil and Natural Resources Sector**

Notwithstanding the other provisions of this Agreement, the provisions of this Agreement shall not apply to the sector of natural resources and hydrocarbons.

## **Article 14. Entry Into Force of the Agreement**

Each Contracting State shall notify the other state about fulfillment the constitutional requirements necessary for the entry into force of this Agreement. The Agreement enters into force on the thirtieth day after the date of receipt of the last notification.

## **Article 15. Duration and Termination**

1. This Agreement shall remain in force for a period of fifteen (15) years and will continue thereafter for similar period or periods unless one of the Contracting States notifies the other Contracting State in writing prior to one year after the end of the first period or any further period of its intention to terminate the Agreement.

2. With respect to investments that were held before the expiration date of the termination notice, the provisions of this Agreement shall remain in force for a period of fifteen (15) years from the date of termination of this Agreement.

In witness thereof, the competent commissioners concerned of both Contracting States have signed this Agreement.

Written in Amman on Wednesday 15/4/2009, in two originals in Arabic, Both are equally authentic.

For the Government of the United Arab Emirates

For the Hashemite Kingdom of Jordan