Agreement between the Government of the Kingdom of Morocco and the Government of the Islamic Republic of Iran on reciprocal promotion and protection of investments

The Government of the Kingdom of Morocco and the Government of the Islamic Republic of Iran referred to hereinafter as the "Contracting Parties":

Desiring to expand economic cooperation in the common interest of the two States;

And they are committed to the use of their economic resources and possible facilities in the field of investments as well as in creating conditions for investments of investors of one of the Contracting Parties in the territory of the other Contracting Party,

Recognizing the need to encourage and protect the investments of investors of one Contracting Party in the territory of the other Contracting Party,

We agreed on the following:

Article 1. Definitions

For the purposes of this Agreement, the following terms mean the following meanings:

1. "Investment" means all types of property or assets that are invested by investors of one of the Contracting Parties in the territory of the other Contracting Party in accordance with the laws and regulations in force in the territory of the latter (hereinafter referred to as the host Contracting Party)

a. Real estate and movable property, as well as related rights, such as "mortgages, custodial mortgages and easements;

b. Shares and all types of contributions to companies;

c. Monetary rights or any rights of financial value;

d. Industrial and intellectual property rights such as patents, utility models, industrial designs or models, trademarks, names, technical knowledge and customers;

e. The rights of prospecting, extraction or exploitation of natural resources, as well as the business rights conferred by the law or by a knot or by a decision issued by the Authority in accordance with the law.

2. "Investor" means for both Contracting Parties the following persons who invest in the territory of the other Contracting Party:

a. Natural persons who are deemed to be nationals under the laws of one of the Contracting Parties and do not hold the nationality of the other Contracting Party;

b. The legal entities of both Contracting Parties which have been incorporated and merged under the laws of one Contracting Party and are located in the territory of the same Contracting Party.

3. The term "income" means the net amounts of taxes legally resulting from investments such as profits, financial costs, dividends, royalties and commissions.

4. The term "territory" means:

a. For the Kingdom of Morocco: the territory of the Kingdom of Morocco including any maritime area located behind the territorial waters of the Kingdom of Morocco that has been designated or to be designated subsequently under the laws of the Kingdom of Morocco in accordance with international law as an area in which the country exercises its rights on its deep

sea and seabed as well as natural resources;

b. For the Islamic Republic of Iran: the territory of the Islamic Republic of Iran, including the maritime areas as well as the continental shelf, the deep sea, under the seabed, airspace and special economic zones within it which the Islamic Republic exercises sovereignty or jurisdiction.

Article 2. Encouraging Investments

1. Each Contracting Party has to encourage its nationals to invest in the territory of the other Contracting Party and create the conditions for this goal.

2. Each Contracting Party has to encourage the nationals of the other Contracting Party to invest in its territory and create the conditions for such investments.

Article 3. Acceptance of Investments

1. Each Contracting Party in its territory has to, in accordance with its laws and regulations, accept the investments of natural persons and legal entities of the other Contracting Party.

2. Each Contracting Party has to; after the acceptance of the investment, grant all of the necessary licenses for the performance of the investment, and to be in accordance with its laws and regulations.

Article 4. Protection and Treatment of Investments

1. Each Contracting Party should ensure fair and equitable treatment of investment by the investors of the other Contracting Party and must provides it full protection and security. No Contracting Party may take discriminatory measures that impede the conduct, maintenance, use, use or disposition of investment by investors of the other Contracting Party established in its territory.

2. The investments of citizens and legal entities of a Contracting Party situated in the territory of the other Contracting Party should be granted a full legal protection and fair treatment no less favorable than those accorded to its investors or to investors of any third State, whichever is better.

3. Each Contracting Party in its territory shall provide to the investors of the other Contracting Party, in respect of the management, maintenance, use, utilization or disposition of their investments, a treatment no less favorable than that accorded to its investors or to investors of any third State, whichever is better.

4. Neither Contracting Party have the obligation to accord to the investors of the other Contracting Party the same rights and privileges as it grants to one or more investors of any third State under an: existing or future agreement establishing a free trade area, customs union, common market or similar regional organization and / or in accordance with the Agreement on the Prevention of Double Taxation.

Article 5. The Most Favorable Requirements

Notwithstanding the provisions of the Agreement, any more favorable requirements agreed upon or subsequently agreed between one of the Contracting Parties and one of the other party's investors should be applicable.

Article 6. Expropriation and Compensation

1. The investments of the investors of one of the Contracting Parties should not be subject to expropriation, nationalization or similar measures by the other Contracting Party except for the public interest, in accordance with the applicable law and on a non-discriminatory basis and there should be an actual and immediate compensation in return.

2. The amount of compensation shall be equal to the market value of the investments immediately prior to the expropriation, nationalization, confiscation and before their declaration to the public.

Any delay in the performance of this compensation from the party which did the expropriation has to be subject to the banking procedures/instructions in which the Contracting Party is working.

Article 7. Losses

The investors of a Contracting Party whose investments have suffered losses due to war, armed conflict, revolution or similar state of emergency in the territory of the other Contracting Party will be accorded a treatment no less favorable than that accorded to investors or investors of any third State, the most favored treatment should be taken regarding compensation, refunds and bonuses related to such losses.

Article 8. Conversion and Repatriation

1. Each Contracting Party has to, in accordance with the laws and regulations relating to the investments concerned in this Agreement, ensure that all subsequent transfers, and net of taxes, are carried out freely and without delay:

a. Income as defined in paragraph (3) of Article (1).

b. Proceeds resulting from the sale or liquidation of a wholly or partially of the investment.

c. Royalties and commissions for technology transfer agreements;

d. Amounts in accordance with Articles 6, 7;

e. Loan entitlements for a particular investment, as well as any other related costs

f. Wages, salaries and other remuneration of nationals of one of the Contracting Parties who have been authorized to work in the territory of the other Contracting Party upon an investment fee.

g. Proceeds resulting from an investment-related dispute.

2. The remittance shall be made directly by transferable currency and at the official exchange rate applicable at the date of the transfer.

Article 9. Subrogation

If compensation is paid under a warranty (security) regime covering non-commercial risks of investment, the Contracting Party in whose territory the investment is made shall:

a. To recognize the insurer to replace the investor in his rights;

b. The Insurer shall not exercise any rights other than those which the Investor was entitled to exercise;

c. Any dispute between a insurer and a host Contracting Party shall be settled in accordance with the provisions of Article 12 of this Agreement.

Article 10. Respecting of Commitments

Each Contracting Party should ensure respect for the commitments made in respect of the investor' investments of the other Contracting Party.

Article 11. Application of this Agreement

1. This Agreement; in the future, will be applied only to investment and reinvestment approved by the competent authorities of the host Contracting Party.

The competent authority in the Kingdom of Morocco is:

Ministry of Economy, Finance, Privatization and Tourism, Rabat, Morocco.

The competent authority of the Islamic Republic of Iran is:

Organization for Investment and Economic and Technical Assistance to Iran (O.I.E.A.I) 15 Cordad Square Tehran / Iran

2. This Agreement will also apply to investments made prior to its implementation, provided that they are accepted by the competent authority of the host Contracting Party.

Article 12. Dispute Settlement between One of the Contracting Parties and the Investor of the other Contracting Party

1. In the case of a dispute between one of the Contracting Parties to which the investment was made (on its land) and one or more of the investors of the other Contracting Party on an investment; The Contracting Party on whose land the investment is established and these investor/investors have to work to settle the dispute first by friendly means, by negotiations and consultations.

2. If an agreement between the Contracting Party on whose territory the investment is made and the investor or the investors can not be reached within six months from the date of the notification of one of the contracting party the other party, either of them may present the dispute to the competent courts of the Contracting Party in which the investment was established; or to present the dispute which is subject to its laws and regulations on arbitral tribunal; and this Arbitration Committee should have three members who must be constituted in accordance with the following paragraph 5.

3. If the dispute is first brought before a competent court of the Contracting Party in respect of which the investment has been made in its territory, then, if it is presented to the court, it cannot be submitted to arbitration except with the agreement of the parties, in the case of a final judgment from the court, it cannot be submitted to arbitration anymore.

4. National courts will not have jurisdiction over any dispute which submitted to arbitration, but the provisions of this paragraph shoul not prevent the winning party from seeking the application of the award of arbitration by the national courts.

5. The Contracting Party that has established the investment on its territory, or the investor or investor of the other Contracting Party who wishing to present the dispute to arbitration appoints a member by means of written notice to the other party. The other party appoints a member within sixty days from the date of receipt of the notice. The two members have to appoint a chairman (a Rapporteur)within sixty days from the date of the last appointment.

In the event that both parties failed to appoint the two members during the said period or if they did not agree to the appointment of the Rapporteur, both parties may request the President of the International Court of Justice to appoint the members or to appoint the Rapporteur (referee) as appropriate. In any event, the Rapporteur appointed shall be a national of a State having diplomatic relations with the Contracting Parties

6. No Contracting Party, which is a party to the dispute and at any time, whatever the case may be during the arbitration or enforcement of the arbitral award, may offer its immunity as a defense.

7. Decisions of arbitration are final and binding on the parties to the dispute and the judgment may be executed by the national courts of the Contracting Party which is the investment in its territory.

Article 13. Dispute Settlements between the Contracting Parties

1. All disputes arising between the Contracting Parties relating to the interpretation or application of this Agreement will be settled first, by means of friendly consultations. In the absence of agreement, each Contracting Party may, subject to its laws and regulations, present the dispute to an Arbitration Committee consisting of three members, Two members will be appointed by the Contracting Parties and the third will be the referee, and the other party should be informed by a notice for the mentioned appointment.

If the dispute is submitted to arbitration, each Contracting Party appoints a member within 60 days from the date of receipt of the notification. The members appointed by the Contracting Parties shall appoint the Rapporteur (referee) within 60 days from the date of the last appointment. If one of the contracting parties fails to appoint a member thereof or if the members do not agree to appoint the Rapporteur within the same time limits, either of the parties may invite the President of the International Court of Justice to appoint a member of the party that has failed to appoint its member or to appoint the Rapporteur, as the case requires.

The Rapporteur shall be a national of a State having diplomatic relations with the Contracting Parties at the time of the arbitration.

2. In case that the Rapporteur appointed by the International Court of Justice or if there was something prevents the President of the International Court of Justice to the exercise of this task or if he is a national of one of the Contracting Parties, the Vice-President of the International Court of Justice shall be invited to make such appointments. If the Vice-President is also a national of either Party or if he was an obstacle preventing him from executing of this task, then the oldest member of this court who is not a national of one of the Contracting Parties will be invited to perform the said appointments.

The arbitration committee's decision is binding upon the contracting parties.

3. With the exception of other requirements which the Contracting Parties may agree on, the arbitration committee

determines its president and the place of arbitration.

4. Decisions of the arbitral tribunal considered to be binding on the Contracting Parties.

Article 14. The Validity of the Agreement and Its Entry Into Force

1. This Agreement will be ratified by the competent authority of both Contracting Parties in accordance with their laws and regulations.

2. This Agreement enters into force for a period of ten years after the passage of thirty days from the date of the last notification to the Contracting Parties of its entry into force in accordance with the laws and regulations in force. After this period, this Agreement remains in effect until one of the Contracting Parties informs the other party in writing and to be six months prior to its cancelation or termination.

3. For investments which are achieved or accepted prior to the expiry of this Agreement, the requirements of all provisions remain in force for a period of ten years from the date of its termination.

To this end, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

And was released in Tehran on 26 Shawwal 1421 H, corresponding to January 21, 2001 in two original copies in Arabic, Persian and English languages, and the three texts are equally authentic. In the case of disagreement in interpretation, the English text is likely to prevail.

For the Government of Kingdom of Morocco Fathallah and Oulo Minister of Economy and Finance, Privatization and Tourism

For the government of The Islamic republic of Iran Hussein Namazi Minister of Economic Affairs and Finance