AGREEMENT BETWEEN THE GOVERNMENT OF REPUBLIC OF SAN MARINO AND THE GOVERNMENT OF THE UNITED ARAB EMIRATES FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of San Marino and the Government of the United Arab Emirates (hereinafter referred to as the "Contracting States");

Desiring to promote greater economic co-operation between them, with respect to investments made by investors of one Contracting State in the territory of the other Contracting State;

Recognizing that the agreement on the promotion and reciprocal protection to be accorded to such investments will stimulate the flow of capital and the economic development of the Contracting States;

Considering that a stable framework for investments will ensure effective utilization of economic resources and improve living standards;

Agreeing that the establishment of investments must be in accordance with their laws and regulations;

Understanding that promotion of such investments requires co-operative efforts of the investors of both Contracting States;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investor" means in respect of either Contracting State:

a. a natural person, who is a national of a Contracting State or residing in the territory of either Contacting State, and who makes an investment in the territory of the other Contracting State;

b. a legal entity, such as a corporation, foundation, trust, firm or association, incorporated or constituted under the laws and regulations of that Contracting State having its seat and performing real business activity in the territory of the home State and invests in the territory of the host State;

c. the Government or Government- owned entities of a Contracting State.

2. The term "investment" means every kind of asset, owned directly or indirectly by an investor of a Contracting State, which is invested by investors of either Contracting State in the territory of the other Contracting State in accordance with its laws and regulations and shall include in particular:

a. movable and immovable property as well as any other rights, such as mortgages, pledges, usufructs and similar rights;

b. stocks, shares, debentures and other forms of participation in companies;

c. returns reinvested;

d. claims to money or any other rights to legitimate performance having financial value related to an investment, except claims to money arising solely from:

i. commercial contracts for the sale of goods or services by a national of a Contracting State or an enterprise in the territory of a Contracting State to an enterprise in the territory of the other Contracting State;

ii. the extension of credit in connection with a commercial transaction such as trade financing.

e. Intellectual and industrial property rights, which are recognized under the domestic law of the host Contracting State, including copyrights and related rights, trademarks, patents, industrial designs and technical processes, rights in plants varieties, know-how, trade secrets, trade names;

f. rights to engage in economic and commercial activities conferred by law, by administrative act or by virtue of a contract. In the case of the United Arab Emirates, natural resources shall not be covered by this Agreement.

g. The term "home state" means the State where the investor has his corporate Headquarters or principal place of business.

h. The term "host state" means the State where the investments are located.

Any change of the form in which assets are invested or reinvested shall not affect their character as an investment, provided that such change is not contrary to the approvals granted, if any, to the assets originally invested.

3. The term "returns" means income derived from an investment and includes, in particular, but not exclusively profits, dividends, capital gains, interests, royalties and any other fees.

4. The term "freely convertible currency" shall mean any currency that is widely used in international transactions and is traded on principal exchange markets.

5. The term "territory" means in respect to:

a. San Marino: the territory of the Republic of San Marino, including any other area within which the Republic of San Marino, in accordance with international law, exercises sovereign rights or jurisdiction;

b. United Arab Emirates: the territory of the United Arab Emirates, its territorial sea, airspace and submarine areas over which the United Arab Emirates exercises in accordance with international law and the law of United Arab Emirates sovereign rights; including the Exclusive Economic Zone and the mainland and islands under its jurisdiction in respect of any activity carried on in its water, seabed and subsoil in connection with the exploration for or the exploitation of the natural resources by virtue of its law and international law.

6. The term "without delay" means such period as is normally required for the completion of necessary formalities for the transfer of payments. Said period shall commence the day on which the request for transfer has been submitted and may on no account exceed 15 days.

Article 2. Promotion and Encouragement of Investments

1. Each Contracting State shall encourage and create favourable conditions for investors of the other Contracting State to make investments in its territory and shall admit such investments in accordance with its laws and regulations.

2. In order to encourage mutual investment flows, each Contracting State shall endeavour as far as possible to inform the other Contracting State, at its request of the investment opportunities in its territory.

Article 3. Protection of Investments

1. Investments and returns of investors of either Contracting State shall at all times be accorded fair and equitable treatment and shall enjoy a full protection and security in the territory of the other Contracting State in accordance with the laws and regulations of the host State.

2. Neither Contracting State shall hamper, by arbitrary or discriminatory measures, the development, management, use, enjoyment, liquidation, disposal or sale of investments made in its territory by investors of the other Contracting State.

3. In accordance with its laws and regulations, each Contracting State shall as far as possible make publicly available its laws, regulations that pertain to investments to the extend permitted.

4. The treatment accorded to an investor of a Contracting State under this Article does not extend to the pre-establishment stage of the investment.

5. Each Contracting State shall in accordance with its laws and regulations ensure to investors of the other Contracting State the right of access to its courts of justice, administrative tribunals and agencies and all other judicial authorities.

6. In case of liquidation of an investment, the proceeds from liquidation shall be accorded the same protection and treatment.

Article 4. National and Most Favoured Nation Treatment

1. Each Contracting State shall, in accordance with its laws and regulations, accord in its territory to investments and returns of investors of the other Contracting State a treatment no less favourable than that which it accords to investments and returns of its own investors, or to investments and returns of investors of any third State with respect to the development, management, use, enjoyment or disposal of investments, whichever is more favourable to the investors concerned.

2. Each Contracting State shall accord in its territory to the investors of the other Contracting State with regard to development, management, maintenance, use, enjoyment, sale, expansion, or other disposal of their investment, a treatment which is no less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable to the investors concerned.

3. Notwithstanding any other bilateral investment agreement the Contracting States have signed with other States before or after the entry into force of this Agreement, the most favored nation treatment shall not apply to procedural or judicial matters. In this respect, for more certainty there shall be no importation of more favourable protection arising from such other Agreements.

4. The provisions of paragraph 1 and 2 of this Article shall not be construed so as to oblige one Contracting State to extend to the investors of the other Contracting State the benefit of any treatment, preference or privilege which may be extended by the former Contracting State by virtue of:

a. any existing or future customs union or economic or monetary union, free trade area or similar international agreements to which either of the Contracting State is or may become a State in the future;

b. any international agreement or arrangement, wholly or partially related to taxation.

Article 5. Performance Requirement

1. Neither Contracting State may, in connection with investment activities of an investor of a Contracting State or of a non-Contracting State in its territory, impose or enforce any requirement or enforce any commitment or undertaking:

a. to export a given level or percentage of goods or services;

b. to achieve a given level or percentage of domestic content;

c. to purchase, use or accord a preference to goods produced or services supplied in its territory, or to purchase goods or services from natural or legal persons or any other entity in its territory;

d. to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of the investor;

e. to restrict sales of goods or services in its territory that the investments of the investor produce or supply by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;

f. to restrict the exportation or sale for export;

g. to transfer technology, a production process or other proprietary knowledge to a natural or legal person or any other entity in its territory.

Article 6. Compensation for Damage or Loss

1. When investments made by investors of either Contracting State suffer loss or damage owing to war or other armed conflict, civil disturbances, state of national emergency, revolution, riot or similar events in the territory of the other Contracting State they shall be accorded by the latter Contracting State treatment, as regards restitution, compensation or other settlement, not less favorable than the treatment that the latter Contracting State accords to its own investors or to investors of any third State, whichever is more favorable to the investors concerned.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting State who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting State resulting from:

a. requisitioning of their property or part thereof by its forces or authorities;

b. destruction of their property or part thereof by its forces or authorities, which was not caused in combat or was not

required by the necessity of the situation, shall be accorded prompt, adequate and effective compensation or restitution for the damage or loss sustained during the period of requisitioning or as a result of destruction of their property. Resulting payments shall be made in freely convertible currency and be freely transferable without delay.

Article 7. Expropriation

1. A Contracting State shall not expropriate or nationalize directly or indirectly in its territory an investment of an investor of the other Contracting State or take any measures having equivalent effect such as freezing or levying excessive tax (hereinafter referred to as "expropriation") except if the following conditions occur simultaneously:

a. for a purpose which is in the public interest;

b. on a non-discriminatory basis;

c. in accordance with due process of law; and

d. accompanied by payment of prompt, adequate and effective compensation.

2. Compensation shall amount to the fair market value of the investment expropriated immediately before the expropriation or impending expropriation became known, whichever is the earlier.

3. Where the fair market value cannot be ascertained, the compensation shall be determined in equitable manner taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the investment, replacement cost, book value and goodwill.

4. Compensation shall be paid without delay, be effectively realizable and freely transferable.

5. An investor of a Contracting State affected by the expropriation carried out by the other Contracting State shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this Article, by a judicial authority or another competent and independent authority of the latter Contracting State.

6. Where a Contracting State expropriates the assets of a legal entity that is constituted in its territory according to its laws and regulations and in which investors of the other Contracting State participate, it shall ensure that the provisions of this Article are applied in a way that it guarantees such investors adequate and effective compensation.

7. The Government assets shall not be subjected to the above mentioned measures for the sole reason of any request by a third State.

8. Government assets shall be deemed to be the assets of the federal or local Governments of the other Contracting State, including any entity considered integral part of such federal or local Governments. For the purposes of this Article, the definition of entities of federal or local Governments of a Contracting State provided in Article 1 of the Protocol attached to the "Agreement between the Government of the Republic of San Marino and the Government of the United Arab Emirates for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" shall apply.

Article 8. Transfers

1. In accordance with its laws and regulations in force in the territory of the Contracting State, each Contracting State shall ensure that all payments relating to an investment in its territory of an investor of the other Contracting State shall be freely transferred into and out of its territory without delay. Such transfers shall include, in particular:

a. initial capital and additional amounts to maintain or increase an investment;

b. returns;

c. payments made under a contract, including repayments pursuant to a loan agreement;

d. proceeds from the sale or liquidation of all or any part of an investment;

e. payments of compensation under Articles 6 and 7 of this Agreement;

f. payments under Article 9 of this Agreement;

g. payments arising out of the settlement of an investment dispute;

h. earnings and other remuneration of personnel engaged from abroad in connection with an investment.

i. profits and returns of national airlines.

2. Each Contracting State shall ensure that the transfers under paragraph 1 of this Article are made without delay and in a freely convertible currency, at the market rate of exchange prevailing on the date of transfer and under the laws and regulations in force in the territory of the Contracting State where investments have been made.

3. Notwithstanding paragraph 1 and 2 of this Article, a Contracting State may in accordance with its laws and regulations, in good faith and in equitable and non-discriminatory manner temporarily prevent the transfers to apply its laws and regulations relating to:

a. protection of creditors in bankruptcy proceedings; and

b. criminal offences.

Article 9. Subrogation

1. If one Contracting State or its designated agency (for the purpose of this Article: the ?guarantor?) makes a payment under an indemnity and a guarantee given in respect of an investment in the territory of the other Contracting State, the latter Contracting State shall recognize:

a. the assignment to the guarantor of all the rights and claims of the State indemnified; and

b. that the guarantor is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the original investor, and shall assume the obligations related to the investment.

c. The guarantor shall be entitled in all circumstances to:

i. the same treatment in respect of the rights, claims and obligations acquired by it, by virtue of the assignment; and

ii. any payments received in pursuance of those rights and claims as the State indemnified was entitled to receive it by virtue of this Agreement, in respect of the investment concerned and its related returns.

d. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

e. Notwithstanding paragraph 1 of this Article, subrogation shall take place in the Contracting State only after the approval of the competent authority of that Contracting State.

Article 10. Settlement of Disputes between a Contracting State and an Investor of the other Contracting State

1. An investor that has a dispute with a Contracting State should initially attempt to settle it amicably through consultations and negotiations.

2. To start consultations and negotiations, the investor shall deliver to the competent authority of the relevant Contracting State a written notice. The notice shall specify:

a. the name and address of the disputing investor;

b. the provisions of this Agreement alleged to have been breached;

c. the factual and legal basis for the claim; and

d. the remedy sought and the amount of damages claimed, if any.

3. When required by the Contracting State, if the dispute cannot be settled amicably within three months from the date of receipt of the written notice, it shall be submitted to the competent authority of that Contracting State or arbitration centers thereof, for conciliation and mediation.

4. If the dispute cannot be settled amicably within six months from the date of the start of the conciliation and mediation process referred to in paragraph 3 of this Article, the dispute may upon the request of the investor be settled as follows:

a. by a competent court of the Contracting State in whose territory the investment is made; or

b. by arbitration centers of a Contracting State in whose territory the investment is made; or

c. by arbitration by the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington on 18th March 1965; or

d. by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), as amended by the last amendment accepted by both Contracting States.

5. At any stage of the proceedings the investors and the host state may withdraw the case if they agree on any other mode of settlement in connection with the dispute.

6. The arbitral award shall be final and binding. Each Contracting State shall ensure the recognition and enforcement of the arbitral award in accordance with its laws and regulations.

7. The award shall be binding and shall not be subject to any appeal or remedy other than those provided for in the ICSID Convention or arbitral rules on which the arbitral proceedings by the investor are based unless new facts or new evidence have been discovered. The award shall be subject to Articles 48, 49, 50, 51, 52, 53 and 54 of the ICSID Convention.

8. A Contracting State which is a State to a dispute shall not, at any stage of conciliation or arbitration proceedings or enforcement of an award, raise the objection that the investor who is the other State to the dispute has received an indemnity by virtue of insurance in respect of all or a part of its losses.

9. When the investor and any designated entity of a Contracting State or its local government have concluded an agreement concerning the investments of the investor, the dispute settlement procedure stipulated therein shall apply.

Article 11. Settlement of Disputes between the Contracting States

1. Disputes between the Contracting States concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations.

2. If a dispute under paragraph 1 of this Article cannot be settled within six months it shall upon the request of either Contracting State be submitted to an arbitral tribunal of three members.

3. Such arbitral tribunal shall be constituted for each individual case. Each Contracting State shall appoint one member and these two members shall agree upon a national of a third State as their chairman. Such members shall be appointed within two months from the date one Contracting State has informed the other Contracting State of its intention to submit the dispute to an arbitral tribunal, the chairman of which shall be appointed within two further months.

4. If the periods specified in paragraph 3 of this Article are not observed, either Contracting State may, in the absence of any other relevant arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of either of the Contracting States or if he is otherwise prevented from discharging the said function, the Vice-president or in case of his inability the member of the International Court of Justice next in seniority according to the Rules of the Court should be invited under the same conditions to make the necessary appointments. The appointed judge should be a national of a State that has diplomatic relations with the Contracting States.

5. The arbitral tribunal shall establish its own rules of procedure unless the Contracting States decide otherwise.

6. The arbitral tribunal shall reach its decision in virtue of this Agreement and pursuant to the rules of international law. It shall reach its decision by a majority of votes; the decision shall be final and binding.

7. Each Contracting State shall bear the costs of its own member and of its legal representation in the arbitration proceedings. The costs of the chairman and the remaining costs shall be borne in equal parts by both Contracting States. The tribunal may, however, in its award determine another distribution of costs.

Article 12. Application of other Rules

1. Without prejudice to Article 4, if the legislation of either Contracting State or obligations between the Contracting States under international law existing at present or established hereafter between the Contracting States, in addition to this Agreement, contain rules whether general or specific, entitling investments made by investors of the other Contracting State to a treatment more favourable than is provided for by this Agreement, such rules shall to the extent that they are more favourable to the investor, prevail over this Agreement.

2. The Contracting States recognize that it is inappropriate to encourage investment by relaxing public health, safety or environmental measures. They shall not waive or otherwise derogate or offer to waive from such measures as an encouragement or establishment or expansion in their territories of an investment.

3. The investor should respect laws and regulations that pertain to essential security interests, or to the protection of public health or the prevention of diseases and pests in animals or plants.

Article 13. Application of the Agreement

This Agreement shall apply to investments made prior to or after the entry into force of this Agreement, but shall not apply to any investment dispute that may have arisen nor any claim that was settled before its entry into force.

Article 14. Consultations

The Contracting States shall hold consultations on any matter relating to the implementation or application of this Agreement, including on settlement of investment disputes. These consultations shall be held at the request of one of the Contracting States at a place and time to be agreed upon through diplomatic channels.

Article 15. Limitation of Benefits

1. Benefits of this Agreement shall not be available to:

i. an investor of a Contracting State, if the main purpose of the acquisition of the nationality of that Contracting State was to obtain benefits under this Agreement that would not otherwise be available to the investor; or

ii. an investor of a non-Contracting State who acquires the ownership or control of an investment through planning of nationality where the investor has structured his investment through intermediary countries and that non-State has no diplomatic relations with the host state.

2. The benefits of this agreement shall not be available to an investor who establishes a legal entity in either Contracting State for the sole purpose of getting the benefits of this Agreement without having a bona fide business activity or to such companies that are directly or indirectly controlled by a third person who is not a resident of either Contracting State, whereas such benefits would not otherwise be available to that person.

3. Prior to denying the benefits of this Agreement, the denying Contracting State shall notify and consult the other Contracting State of such denial of benefits.

Article 16. Entry Into Force, Amendments, Duration and Termination

1. This Agreement shall enter into force on the date of receipt of the later notification through diplomatic channels by which either Contracting State notifies the other Contracting State that its internal legal requirements for the entry into force of this Agreement have been fulfilled.

2. This Agreement may be amended in writing by the mutual consent of the Contracting States. Such amendments shall enter into force according to the same procedure as the Agreement.

3. This Agreement shall remain in force for a period of ten years. Thereafter it shall continue to remain in force until the expiration of twelve months from the date on which the other Contracting State has given written notice of termination of this Agreement to the other Contracting State through diplomatic channels. In respect of investments made prior to the date the notice of termination of this Agreement becomes effective, the provisions of this Agreement shall remain in force with respect to such investments for a further period of ten years from that date or for any longer period as provided for or agreed upon in the relevant contract.

4. This Agreement shall apply irrespective of the existence of diplomatic or consular relations between the Contracting States.

In witness whereof, the undersigned duly authorised have signed this Agreement.

Done at Abu Dhabi on 11 July 2018 in the English, Italian, and Arabic languages, both texts being equally authentic. In case of

divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF SAN MARINO

Nicola Renzi

Minister of Foreign Affairs

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

Anwar bin Mohammed Gargash

Minister of State for Foreign Affairs

Protocol

At the time of signing this Agreement between the Government of the Republic of San Marino and the Government of the United Arab Emirates for the Promotion and Reciprocal Protection of Investment, the two delegations agreed that the following provision shall form an integral part of the Agreement:

With respect to the application and implementation of the entire Agreement, it is understood that all correspondence related to this Agreement shall be addressed to both Contracting States as follows:

a) in the case of the United Arab Emirates, the Ministry of Finance, International Financial Relations Department, Director of International Financial Relations Department;

b) in case of the Republic of San Marino, the Ministry of Industry, Handicraft and Trade, Department of Economy, Director of the Department of Economy.

IN WITNESS WHEREOF, the undersigned representatives, duly authorised thereto, have signed the present Protocol. Done in duplicate at Abu Dhabi on 11 July 2018 in the English, Italian, and Arabic languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF SAN MARINO

Nicola Renzi

Minister of Foreign Affairs

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

Anwar bin Mohammed Gargash

Minister of State for Foreign Affairs