

Agreement to encourage and protect investments between the Governments of the Arab Republic of Egypt and the Kingdom of Morocco

The Arab Republic of Egypt and the Kingdom of Morocco, desiring to consolidate the economic cooperation between the two countries, with the aim of creating favourable conditions for the investments made by the nationals of both countries within the territories of the other country, and taking into account the fact that the encouragement and protection of these investments will lead to an increase in the flow of capital, thus achieving economic prosperity in the two countries,

Realising that the protection of the reciprocal investments would stimulate private economic activities, have agreed on the following:

Article 1.

Each of the Contracting Parties accepts and encourages in its territory, according to its laws and regulations, the investments by the private or legal persons of the nationals of the other Contracting Party.

Article 2.

Each of the Contracting Parties undertakes to provide full protection to the investments in its territory by the private or legal persons of the nationals of the other Contracting Party, and guarantees that these investments will be granted fair and equitable treatment.

In order to achieve this purpose, each of the Contracting Parties shall grant to the aforementioned investments the benefit of the same treatment and protection granted to the investment by private or legal persons of its nationals, or nationals of any third country.

This treatment does not include the benefits granted by any of the Contracting Parties, to nationals of a third country through its membership or its association with a customs union, a free market, or a free trade area.

Article 3.

Neither of the Contracting Parties shall take measures of expropriation or dispossession in its territory with respect to the abovementioned investments, unless it is required for reasons of public interest.

In this case, each of the Contracting Parties undertakes to pay a fair compensation to the concerned investor from the other Party.

In cases which harm the investments of the nationals of any of the Contracting Parties in the territory of the other Contracting Party, and with the exception of natural disasters, they are granted the same treatment that is extended by the other Contracting Party to its nationals in regard to the compensations, guarantees or any other procedures aimed at the reparation of damages and losses.

The system of transferring the compensation referred to in the second paragraph of this Article is to be the same system defined by the requirements of Article 4 concerning the total or partial liquidation of investments.

Article 4.

The two Contracting Parties shall allow the transfer of the following funds related to the investments, in accordance with the legislation in effect at each of the two countries:

Real net profits, interest, and dividends attributable to the investors, whether a private or legal persons belonging to one of the two countries.

Proceeds resulting from the total or partial liquidation of the investments.

Article 5.

Each Contracting Party shall act in accordance with its legislation to facilitate the practice of the professional activity of the private persons belonging to the other Contracting Party if such activity is necessary for the investments established in its territories.

Article 6.

1. Both of the governments of the Contracting Parties shall work on the settlement of any dispute or difference of opinion regarding the interpretation or application of this agreement.

2. In the event of failure to reach an agreement, either of the two Contracting Parties refer the dispute to an arbitration tribunal.

3. The formation of the arbitration tribunal in each case, as follows:

Each of the Contracting Parties chooses a member of the tribunal, and then the two members choose a president whom should be a national of a third country and be appointed with the consent of the governments of the two Contracting Parties. The two members shall be appointed within two months and the president within three months from date of either party notifying the other party of its desire to refer the dispute to an arbitral tribunal.

4. In the event that the two Contracting Parties have not observed the durations specified in paragraph (3) , then either of the Contracting Parties can, in the absence of any agreement to the contrary, invite the president of the International Court of Justice to make the necessary appointments, and if the president of the International Court of Justice is a citizen of either of the Contracting Parties and he has an impediment to performing this task, then the Vice-President is invited to carry out this role, and if the Vice-President was a citizen of either of the two Contracting Parties, or if he also has an impediment to performing this task then the member of the International Court of Justice next in seniority is invited to perform this task, provided that he is not a citizen of any of the Contracting Parties and has no impediment that prevents him from making the necessary appointments.

5. The decisions of the arbitral tribunal are issued by the majority of votes, and its decision is final and binding, and each of the two Contracting Parties covers the expenses of its member in the tribunal while the president's expenses, as well as the rest of the expenses, are to be distributed over the two Contracting Parties. The arbitral tribunal has the authority to determine the system for the distribution of expenses as well as determining the procedural rules related to it.

6. Prior to submitting any dispute to the arbitral tribunal, it is necessary for both parties to exhaust all diplomatic and other means to reach a solution to the problem subject of the dispute.

Article 7.

Only the investment made by the investors after the entry into force of this Agreement shall benefit from the provisions of this Agreement.

Article 8.

Each of the Contracting Parties shall notify the other party of the fulfilment of the required procedures in its territories for the entry into force of this Agreement, and this agreement shall operate from the date of the latest notification.

This Agreement is concluded for a period of ten years, renewable for the same period unless one of the two parties announces in writing its termination one year prior to the fulfilment of each period.

If terminated, this Agreement shall stay in effect in relation to the investments already established for a period of ten years from the date of such establishment.

Done in Cairo on Al-Haher; P7 Madi Al-Am: 51,399 (corresponding to 6 June 1976) in two original copies in the Arabic language, and was signed by representatives of the Government of the Arab Republic of Egypt and the Government of the Kingdom of Morocco.

(Zakaria Dat Tawfiq Abdel Fattah)

Minister for Foreign Affairs

(Abdel Latif Al Ghassasi)

Minister of Trade, Industry and Minerals on behalf of the Minister for Foreign Affairs