

Agreement Between The Government of the Republic of Tunisia And The Islamic Republic of Mauritania For The Promotion and Protection of Investments

The Government of the Republic of Tunisia: on one side

And the Government of the Islamic Republic of Mauritania: on the other side

Desiring to reinforce the economic relationship and strengthen the cooperation between both countries to support development in both parties.

Recognizing that the protection of investments by means of an international agreement shall support special economic initiatives and will bolster prosperity in both countries.

Understanding the need to provide natural and legal bodies of each Contracting Party fair and equitable treatment with regards to their investments in the territory of the other.

Have agreed as follows:

Article 1. Definitions

For the purpose of this agreement the terms:

A. "Investments" shall comprise The original Arabic text of this paragraph is unreadable so it was not possible to translate it.

B. "Returns"

Yielded by an investment and in particular, though not exclusively, all profits, interest, share dividends and royalties.

A "Nationals"

3. For the Republic of Tunisia, natural persons holding the Tunisian nationality and every legal person that has its social headquarters in the territory of the Republic of Tunisia, and wherein there is preponderant Tunisian interest

4. For the Islamic Republic of Mauritania, natural persons holding the Mauritanian nationality, and legal persons that have their social headquarters in the territory of the Islamic Republic of Mauritania, and wherein there is preponderant Mauritanian interest

A. "Territory"

5. For the Republic of Tunisia, the territory of the Republic of Tunisia

6. For the Islamic Republic of Mauritania, the territory of the Islamic Republic of Mauritania

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall encourage the nationals of the other Contracting Party to invest capital in its territory, shall provide favorable conditions for such investments and shall provide licenses for the entrance of the previously mentioned capital, while retaining the right to exercise the authority afforded to it by its laws.

2. Investments of each Contracting Party made in accordance with the regulations placed by the national legislation of the host country shall enjoy fair and equitable treatment.

Article 3. National Treatment and Most-favored-nation Provision

1. Each Contracting Party wherein there are investments and returns of nationals of the other Contracting Party in its territory shall not be subject to less favorable treatment than that granted to investments and returns of its own nationals or to nationals of any other country.

2. Each Contracting Party wherein there are nationals of the other Contracting Party in its territory shall not be subject to less favorable treatment than that granted to its own nationals or to nationals of any other country with regards to the disposal, use, utilization and assignment of those nationals' investments.

Article 4. Compensation for Losses

In case investments of nationals of either Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, civil unrest, strife, or other similar events in the territory of the later, this Contracting Party shall grant those nationals treatment that is not less favorable than that granted to its own nationals or to nationals of any other country with regards to restitution, indemnification, compensation or other forms of settlement.

Article 5. Expropriation

1. Investments of nationals of either Contracting Party shall not be nationalized or expropriated, and these investments shall not be subject to measures having a similar effect, in the territory of the other Contracting Party unless the following conditions are fulfilled:

a. These measures are taken for a public purpose in accordance with the provisions of the law

b. The measures are taken non-discriminatorily

c. The measures are accompanied by prompt, adequate, effective and freely transferrable compensation between the territories of both Contracting Parties, in accordance with the exchange procedures of both countries

2. The provisions of the first paragraph of this article are also applicable to returns from an investment

Article 6. Repatriation of Investments and Returns of the Investment

1. Each Contracting Party shall allow, while taking into account its laws and procedures, without delay and in any transferrable currency, the transfer of:

a. The net profits, dividends, royalties, remuneration, technical assistance fees, interest and other current returns, accruing from investments made by a national of the other Contracting Party.

b. The proceeds accruing from the total or partial liquidation of an investment made by nationals of the other Contracting Party.

c. The settlement of loans obtained by its nationals from nationals of the other Contracting Party.

d. The earnings of nationals of the other Contracting Party who are authorized to work in its territory within the framework of the investment.

2. Each Contracting Party undertakes to accord the transfers referred to in Paragraph (1) of this article treatment that is no less favorable than that accorded to transfers originating from investments made by nationals of any other country.

Article 7. Exception

Without taking into account Article 3 of this agreement, the Contracting Party who signs an agreement with one or more countries relating to the creation of a customs union, free trade area, or any other economic cooperation agreement built upon special relations shall enjoy the freedom of granting more favorable treatment to investments made by the country/s or party/s to that agreement, or to investments by nationals of some of these countries. In addition, the Contracting Party that signs bilateral agreements with other countries before the date of signature of this agreement shall enjoy the freedom of granting investments of nationals of these countries treatment that is more favorable, if the bilateral agreements dictate such treatment.

Article 8. Resorting to the International Centre for the Settlement of Investment Disputes

Each Contracting Party agrees to present all disputes, that are legal in nature and that result between it and a national of the other Contracting Party in relation to an investment made in its territory, to the International Centre for the Settlement of Investment Disputes (ICSID) in an effort to settle the dispute through conciliation or arbitration, in accordance with the Convention on Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D.C. on 18 March 1965.

Article 9. Disputes between Contracting Parties

1. Disputes concerning the interpretation or application of this agreement that arise between the Contracting Parties shall, as far as possible, be settled through diplomatic channels.
2. If the dispute cannot be settled in such a way, the dispute shall be referred, upon the request of one of the Contracting Parties, to an arbitration tribunal.
3. An arbitration tribunal shall be constituted for each individual case as follows:

Within two months from receiving a request for arbitration, each party shall appoint one member to the arbitration committee, and those two members shall appoint a citizen from a third state to be president of the arbitration committee, upon the approval of both Contracting Parties of his appointment. The president of the arbitration committee shall be appointed within two months from the date of appointment of the other two members.

4. If the appointments are not made within the timeframe set in Paragraph (3) of this article, and in case there was no other arrangement, either Contracting Party may invite the president of the International Court of Justice to make the necessary appointments. If the president happens to be a national of either Contracting Parties, or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointment. If the Vice-President also happens to be a national of either Contracting Parties or is prevented from discharging the said function, then a member from the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointment.

5. The arbitral tribunal shall reach its decision by a majority of votes. Such decision shall be binding for the Contracting Parties.

Each Contracting Party shall bear the cost of its own arbitrator on the tribunal, and the costs of its representation during the arbitral proceedings. The cost of the president and the remaining costs shall be borne in equal parts by both Contracting Parties. However, the tribunal may decide that either Contracting Party may bear a larger portion of the costs, and this decision shall be final for the Contracting Parties.

The arbitral tribunal shall determine its own procedure.

Article 10. Subrogation

If either Contracting Party makes payments for the benefit of its national under a guarantee it has granted in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize, in accordance with the law or contract and without prejudice to this party's rights set out in Article 9 above, subrogation of all his national's rights and obligations for his benefit. In addition, the host party shall recognize to the first party the subrogation for its national in regards to all these rights and obligations (transferred rights) that enable it to practice it in the same manner its national for which it subrogated. The transfer of payments of the concerned Contracting Party with regards to the transferred rights shall be subject to Articles 3, 4 and 6 of this agreement.

Article 11. Entry Into Force

This agreement shall enter into force after each party informs the other Contracting Party that the constitutional procedures necessary for this purpose are completed.

Article 12. Duration and Termination

This agreement shall remain in force for a period of ten years, and shall continue to remain in force until the expiration of twelve months from the date of termination, where either Contracting Party notifies the other Contracting Party in writing of the same. The provisions of this agreement shall remain in force for another ten years from the date of its expiration with respect to investments made within the validity of this agreement while ensuring the application of the rules of international law after the expiry of this period.

In witness thereof, this agreement was signed by the below signatories who have been granted the necessary authorizations by their governments for this purpose.

Done at Nouakchott, on 12/March/1986, in two originals in the Arabic language, with both texts being equally authentic.

For the Government of the Republic of Tunisia

For the Government of the Islamic Republic of Mauritania

(Signature)

(Signature)

AlBahi Qaed Al Sebsi

Colonel / Ahmed Walad Maneyah

Minister of Foreign Affairs

Minister of Foreign Affairs and Cooperation