

# **Agreement between the Federal Republic of Germany and the People's Democratic Republic of Algeria on the Reciprocal Promotion and Protection of Investments**

The Federal Republic of Germany and the Democratic People's Republic of Algeria -

In the desire to deepen economic cooperation between the two countries,

In the endeavor to create favorable conditions for the investments of nationals or companies of one State in the territory of the other State,

Recognizing that mutual support and mutual protection of these investments are appropriate to stimulate the private economic initiative of nationals and societies and to increase the prosperity of the two peoples -

Have agreed as follows:

## **Article 1.**

(1) For the purposes of this Agreement

1. The term "investments" means assets of any kind invested by nationals or companies of one Contracting Party in the territory of the other Contracting Party in accordance with its legislation, in particular

- a) Ownership of movable and immovable property and other rights in rem such as mortgages and liens;
- b) Share rights in companies and other types of participations in companies;
- c) Claims for money created to create an economic value or claims for benefits having an economic value;
- d) Intellectual property rights, such as, in particular, copyright, patents, utility models, industrial designs, trade names, business and business secrets, technical procedures, know-how and goodwill;
- e) Rights from public concessions, including concessions for concessions and concessions;

A change in the form in which the assets referred to in this point are invested shall not affect their property as an investment;

2. The term "income" means the amounts accruing to an investment for a certain period, such as profits, dividends, interest, royalties or other charges;

3. The term 'nationals' in relation to the Federal Republic of Germany means Germans within the meaning of the Basic Law for the Federal Republic of Germany; in respect of the Democratic People's Republic of Algeria, natural persons with Algerian nationality;

4. The term "companies" means any legal person or any commercial or other company established under the law of the Contracting Party concerned and having its seat in the territory of that Contracting Party.

(2) The Agreement shall apply in the territories of the Contracting Parties and in the marine zones located beyond the territorial waters over which the relevant Contracting Party exercises sovereign rights or sovereign powers in accordance with international law.

## **Article 2.**

(1) Each Contracting Party shall, in its territory, permit and encourage the investment of nationals and companies of the

other Contracting Parties in accordance with its legislation and shall treat them in a fair and fair manner.

(2) A Contracting Party shall in no way affect the management, use, use or use of the investments of nationals or companies of the other Contracting Parties in its territory by means of arbitrary or discriminatory measures.

(3) Income from the investment and, in the case of reinvestment, the income arising therefrom shall enjoy the same protection as the investment undertaken in accordance with the legislation of the relevant Contracting Party.

### **Article 3.**

(1) Each Contracting Party shall treat capital investments of nationals and companies of the other Contracting Parties in its territory as less favorable than the investments of its own nationals or companies or investments by nationals or companies of third States.

(2) Each Contracting Party shall treat nationals and companies of the other Contracting Parties not less favorably than their own nationals and companies or nationals and companies of third States, in particular as regards the management, use, use and use of their investments in their territory.

(3) This treatment does not relate to prerogatives granted by a Contracting Party to third-country nationals or companies because of their membership in or association with a customs or economic union, a common market or a free-trade zone.

(4) This treatment also does not apply to advantages granted by a Contracting Party to third-country nationals or companies under a double tax treaty or other agreements on tax questions.

### **Article 4.**

(1) Investments by nationals and companies of a Contracting Party shall enjoy full protection and full security in the territory of the other Contracting Parties.

(2) Investments by nationals and companies of a Contracting Party may be expropriated, nationalized or subject to other measures which are equivalent to expropriation or nationalization in the territory of the other Contracting Parties only for the general good and for compensation. The compensation must correspond to the value of the expropriated investment immediately before the date on which the actual or decided expropriation, nationalization or comparable measure became publicly known. The compensation must be paid without delay and is payable at the usual bank rate until the time of payment; It must in fact be usable and freely transferable. At the latest at the time of expropriation, nationalization or comparable measure, it must be appropriate for the fixing and performance of the compensation provision. The legality of the expropriation, nationalization or comparable measure and the amount of the compensation must be able to be verified by ordinary proceedings.

(3) Nationals and companies of a Contracting Party which suffer losses in investments through war or other armed conflicts, revolution, or state insurrection or turmoil in the territory of the other Contracting Party shall be treated no less favorably by the Contracting Party as regards their refunds, compensation, compensation or other consideration Nationals or companies or such third States. Such payments must be freely transferable.

### **Article 5.**

(1) Each Contracting Party shall ensure free transfer to the nationals and companies of the other Contracting Parties which are investing in their territory, in particular

- a) Of the capital required to carry out, maintain or expand an investment in the country in which the investment is situated;
- b) Of the income from the investment;
- c) Repayment on granted shareholder loans in connection with the implementation or expansion of an investment;
- d) Of the proceeds in the event of complete or partial liquidation or disposal of the investment;
- e) The compensation provided for in Article 4 and the payments provided for in Article 6.

(2) The transfers referred to in paragraph 1 and Article 6 shall be effected without delay at the respective exchange rate of the Contracting Party in whose territory the investment is situated.

(3) This price may not differ materially from the exchange rate resulting from the cross-currency exchange rate to the US

dollar on the foreign exchange markets of the country in which the investment is made and the country in whose currency the transfer is to be made.

(4) The transfers shall be carried out within a maximum period of two months after submission of a formally valid application.

## **Article 6.**

(1) Where a Contracting Party or the entity designated by the Contracting Party ("the first Contracting Party") provides for a compensation for an investment in the territory of the other Contracting Party ("the second Contracting Party"), the second Contracting Party shall recognize the following, without prejudice to the rights of the first Contracting Party:

a) The assignment of all rights and claims of the nationals and companies of the first Contracting Party to this law or legal transaction;

b) The right of the first Contracting Party to intervene in the rights and claims referred to above and to assert them to the same extent as the nationals and companies of the first Contracting Party.

(2) The first contracting party shall be entitled in all cases

a) Equal treatment with regard to the rights and claims acquired by the assignment;

b) All payments made pursuant to the rights and claims referred to in connection with the investment and the corresponding income to which the nationals and companies of the first Contracting Party were entitled under this Agreement.

## **Article 7.**

(1) If more favorable treatment than provided for in this Agreement is provided for under the legislation of a Contracting Party or under obligations under international law which are binding on both Contracting Parties, the more favorable treatment shall be applied to investments by nationals or companies of the other Contracting Parties.

(2) Each Contracting Party shall comply with any other obligation which it has assumed in respect of investments in its territory by nationals or companies of the other Contracting Parties.

## **Article 8.**

This Agreement shall also apply to matters governed by this Agreement and which shall become effective after its entry into force in respect of investments made by nationals or companies of one Contracting Party in the territory of the other Contracting Party pursuant to its legislation before the entry into force of this Agreement. This Agreement shall not apply to disputes arising before its entry into force.

## **Article 9.**

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible between the Contracting Parties by diplomatic means.

(2) If a disagreement can not be settled in this way, it shall be submitted to an arbitration court at the request of one of the two contracting parties.

(3) The arbitral tribunal shall be constituted on a case-by-case basis by appointing a member to each of the Contracting Parties, and both members as members of a third State as chairman to be appointed by the Governments of the two Contracting Parties. The members shall be appointed within two months to appoint the chairman within three months after the one party to the agreement has notified the other that it wishes to submit the dispute to an arbitration tribunal.

(4) If the deadlines set out in paragraph 3 are not met, in the absence of any other agreement, each Contracting Party may ask the President of the International Court of Justice to make the necessary appointments. If the President has the nationality of either Contracting Party or if he is prevented from doing so for another reason, the Vice-President shall make the appointments. If the vice-president also has the nationality of one of the two contracting parties or if he is also prevented from doing so, the next member of the Court who is not a national of one of the two contracting parties shall make the appointments.

(5) The arbitral tribunal shall decide by a majority of votes. Its decisions are binding. Each Contracting Party shall bear the costs of its member and its representation in the proceedings before the arbitration itself; The costs of the chairman and the other costs are borne equally by the contracting parties. The arbitral tribunal may, in exceptional cases, adopt a different cost arrangement. The arbitral tribunal shall regulate its procedure itself.

(6) This agreement is without prejudice to Article 27 of the Convention of 18 March 1965 on the resolution of disputes between States and nationals of other States. In the event of the transfer of rights and claims under Article 6 of this Agreement to a Contracting Party, the Contracting Party shall remain unaffected to call the arbitral tribunal provided for in this Article.

## **Article 10.**

(1) Disputes concerning investment between one of the Contracting Parties and a national or a company of the other Contracting Parties shall, as far as possible, be settled amicably between the Contracting Parties.

(2) If, after the expiry of a period of at least six months from the date of its assertion, a disagreement has not been settled amicably by means of domestic or other procedures, and the national or the company concerned makes a corresponding request, it shall be subject to an arbitration. Unless the parties to the dispute reach a dissenting agreement, the dispute shall be subject to arbitration under the Convention of 18 March 1965 on the resolution of disputes between States and nationals of other States.

(3) The arbitration award shall be binding and shall not be subject to any means of redress or other remedies other than those provided for in the said Convention. It is enforced under national law.

(4) The Contracting Party involved in the dispute shall not claim as an objection during an arbitration proceedings or the enforcement of an arbitration award that the national or the company of the other Contracting Party has received compensation for part or all of the damage resulting from insurance.

## **Article 11.**

(1) This Agreement shall be subject to ratification; The instruments of ratification shall be exchanged as soon as possible.

(2) This Agreement shall enter into force one month after the exchange of the instruments of ratification. It remains in force for ten years; After the expiry of which period, the period of validity shall be extended indefinitely unless one of the two Contracting Parties terminates the Agreement in writing with a period of twelve months before the expiry of the Agreement. After ten years, the Agreement may be terminated at any time by a period of twelve months.

(3) For investments made up to the date of the expiry of this Agreement, Articles 1 to 10 shall continue to apply for a further twenty years from the date of expiry of the Agreement.

For the Federal Republic of Germany Werner Hoyer For the Democratic People's Republic of Algeria Lahcène Moussaoui