

# **Agreement between the Government of the people's Democratic Republic of Algeria and the Government of the Sultanate of Oman concerning the encouragement and reciprocal protection of investments**

Decree No. 2002-223 of 11 Rabi Al-Thani '1423 corresponding to 22 June 2002 ratifying the agreement between the Government of the people's Democratic Republic of Algeria and the Government of the Sultanate of Oman concerning the encouragement and reciprocal protection of investments, signed in Algiers on 4 Moharram 1421 corresponding to 9 April 2000, p. 5.

The President of the Republic,

The report of the Minister of State, Minister of Foreign Affairs

Having regard to the Constitution, in particular article 77-9 °

Bearing in mind the Agreement between the Government of the people's Democratic Republic of Algeria and the Government of the Sultanate of Oman concerning the encouragement and reciprocal protection of investments, signed in Algiers on 4 Moharram 1421 corresponding to 9 April 2000;

Hereby decrees:

Article 1. - shall be subject to ratification and shall be published in the Official Gazette of the people's Democratic Republic of Algeria and the Agreement between the Government of the people's Democratic Republic of Algeria and the Government of the Sultanate of Oman concerning the encouragement and reciprocal protection of investments, signed in Algiers on 4 Moharram 1421 corresponding to 9 April 2000.

Art. 2. - this decision shall be published in the Official Gazette of the people's Democratic Republic of Algeria.

Done at Algiers on 11 Rabi Al-Thani '1423 corresponding to 22 June 2002.

Abdelaziz Bouteflika.

The Government of the people's Democratic Republic of Algeria and the Government of the Sultanate of Oman (hereinafter jointly "" "contracting parties and each contracting party")

Desiring to expand and strengthen existing economic cooperation between the two countries in their mutual interest and the preparation of the atmosphere conducive to increased investment by investors of one Contracting Party in the territory of the other contracting party;

Recognizing that the promotion and protection of investments will contribute to stimulate economic initiatives and the transfer of capital and technology between the two countries in the interest of their economic development;

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Convention:

1) The term investment means every asset that is being implemented as an investment in accordance with the laws and regulations of the Contracting Party accepting the investment in its territory and includes in particular, though not

exclusively:

- a) The goods and movable and immovable property and any other property rights such as collateral, guarantees and any other similar rights;
- b) The actions and obligations and deadlines shares and other kinds of interests in companies;
- c) Monetary claims to enforce any commitment under contract having an economic value;
- d) Income;
- e) The rights of publication and dissemination and industrial property rights, such as patents, trademarks, Licences and Know-how), technical processes, trade names and reputation;
- f) The trade concessions granted on the basis of a law or contract including those relating to the agriculture, mining, exploration and exploitation of natural resources.

Any alteration of the form in which assets have been invested or reinvested shall not affect their character as an investment provided that such alteration is not contrary to the Regulations of the Contracting Party in whose territory the investment has been made.

12) The term means investor in respect of both contracting parties, as follows:

- a) A natural person possessing the nationality of a Contracting Party and has lé investment activity in the territory of the other contracting party, in accordance with its laws and regulations.
  - b) The legal persons established in the territory of a Contracting Party, in accordance with the laws of the contracting party operating in the territory of the other contracting party, in accordance with its laws and regulations.
- 3) The term returns shall mean the proceeds from the investment or reinvestment, including investment in the technical assistance and services as' profits, dividends, royalties, capital, profits and interest income actions.
- 4) The term territory means the territory of each Contracting Party as defined in its laws, in addition to the surrounding maritime areas over which the contracting party exercises sovereign rights and jurisdiction in accordance with international law.

## **Article 2. Promotion and Protection of Investments**

1 - each Contracting Party shall, in accordance with its laws and the provisions of this Convention, admit and encourage and protect in its territory and its maritime area, investments made by investors of the other contracting party.

2 - it is permitted to investors of each of the two contracting parties of officials and experts to select a national of a third State and which are within the limits permitted by the laws of the host country. both Contracting Parties shall provide all the necessary facilities including the declarations of residence for such persons and their families, in accordance with the laws and regulations of the country

## **Article 3. Fair and Equitable Treatment**

Each Contracting Party shall accord in its territory to investments of investors of the other contracting party, in accordance with the principles of international law, fair and equitable treatment.

## **Article 4. Treatment of Investors and the Most Favoured Nation**

1-chaque Contracting Party shall accord in its territory to investments of investors of the other contracting party treatment no less favourable than that which it accords to investors of a third State.

2 - Each Contracting Party shall accord in its territory to investments of investors of the other Contracting Party in respect of the administration of investments or the enjoyment, treatment no less favourable than that which it accords to investors of a third State.

3 - such treatment shall not apply to advantages accorded by a contracting party to the investors of a third State on the basis of its membership in a free trade area, customs or economic union or common market, its participation in any of these kinds of organizations.

4 - the treatment granted by this article shall not extend such advantages accorded by a contracting party to the investors of a third State on the basis of a double taxation agreement or other agreements or arrangements.

## **Article 5. Expropriation**

1) Investments made by investors of either

2) It shall not be permitted to nationalize investments of investors of either Contracting Party or of the expropriated or subjected to measures having effects equivalent to nationalization or expropriation (hereinafter referred to as "" expropriation in the territory of the other Contracting Party, whether or not the expropriation is not made for a public purpose related to the internal needs of that Contracting Party, on a non-discriminatory basis and in accordance with legal procedures.

All of expropriation proceedings as may be taken must include a prompt, effective and adequate compensation, which shall be calculated on the basis of the value of the investment in the immediately prior to the announcement of the decision to expropriation or before a decision is known to the public. where it is not possible to ensure access to the market value, the compensation shall be determined in accordance with generally accepted practices as regards the evaluation and on the basis of equitable principles taking into account in other respects, the capital invested capital depreciation, and has been the subject of transfer abroad, the value of subrogation and the other elements relating thereto.

The compensation shall include T interest which shall be calculated on the basis of the interest rate applicable to the host Party investment, applicable to the currency in which the investment has been made, from the date of expropriation until the date of payment.

The compensation shall be expressed and paid without delay. it shall be freely transferable.

## **Article 6. Compensation**

Investors of one Contracting Party whose investments in the territory of the other contracting party have suffered losses due to a war or any other armed conflict, revolution, state of emergency or at the national level in the territory of the other Contracting Party shall receive treatment by the latter Contracting Party, not less favourable than that which is accorded to its own investors to investors or of any third State; the more favourable treatment shall be applied to the investors concerned.

## **Article 7. Transfers**

Each Contracting Party in whose territory investments have been made by investors of the other contracting party, the investor shall, after the payment of taxes, the free transfer of:

- a) Investment income stipulated in article 1, paragraph 3 of this Convention;
- b) The regulation of loans and interest payments relating thereto, entered into by the investor in foreign currency and brought to the attention of the host country on investment, intended for the financing of investment or extension;
- c) The proceeds of the sale or liquidation of the partial or total investment including the most of the values of the capital invested or reinvested;
- d) The outcome of the expropriation or compensation for the loss of property referred to in articles 5 and 6;
- e) The earnings of nationals of either Contracting Party or of workers other than those nationals who have been authorised to travail1er in the territory of the other contracting party in connection with an investment approved in accordance with the laws and regulations in force in the host country of the investment.

The transfers referred to in the preceding paragraphs shall be effected without delay at the rate of exchange prevailing on the date of transfer in the host country of the investment.

## **Article 8. Subrogation**

If one of the contracting parties or one of its national bodies makes payment to its own investors under a guarantee given in exchange for an investment made in the territory of the other contracting party, the first mentioned Party in which case the full rights of subrogation in respect of the investor and the rights covered under the law and the provisions of this Convention. the payments referred should not influence on the Rights of the holder of security in the recourse to dispute

settlement under course of provisions of this Convention.

## **Article 9. Specific Commitments**

Investments which are subject to a specific commitment to either Contracting Party to the investors of the other contracting party be submitted, without prejudice to the provisions of this Convention, the conditions of the aforementioned commitment that contains provisions which are more favourable than the provisions of this Convention.

## **Article 10. Settlement of Disputes between an Investor and a Contracting Party**

Any dispute between one Contracting Party and an investor of the other contracting party relating to investments; shall be settled amicably between the two parties concerned.

If the dispute cannot be settled within six months from the date of the incident, it shall be submitted upon request of one of the Parties to the

Dispute to arbitration, either:

- a) The Arab Investment court in accordance with the provisions of Chapter 6 of the Unified Agreement for Arab investment of capital; or
- b) 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 done at Washington on 18 March 1965.

If an investor of a Contracting Party elects to submit the complaint from local courts of the other Contracting Party, it may refer the matter to another forum.

## **Article 11. Settlement of Disputes between Contracting Parties**

1) Disputes concerning the interpretation or application of this Agreement shall, as far as possible, be settled amicably through diplomatic channels.

2) If the dispute cannot be settled within six months from the date when it was raised by either contracting party, it shall be permitted and based on the request of either Contracting Party, to submit the dispute to an arbitral tribunal.

3) The arbitral tribunal shall be constituted for each individual case, and The following:

Each Contracting Party shall appoint one arbitrator and the two arbitrators thus appointed, in turn shall designate by common agreement the third arbitrator who shall be a national of a third State which has diplomatic relations with both contracting parties, to be identified as Chairperson of the arbitration panel. the appointment of the arbitrators shall take place within two months from the date on which either contracting party notifies the other contracting party of its intention to submit the dispute to arbitration.

4) In the event that the appointment of the arbitrators have not been made within the periods specified in paragraph (3) of this article, it shall be permitted to each of the Contracting Parties, in the absence of any other agreement, to request the resident of the International Court of Justice to make the necessary appointments. if the President is a national of either Contracting Party or is otherwise unable to fulfil the abovementioned mission, it shall request the member of the International Court of Justice and hierarchically successor national of either of the two Contracting Parties to make the necessary appointments.

5) The arbitral tribunal shall render its decisions by a majority of votes. they shall be final and binding on both contracting parties. the Forum shall draw up its own procedures. it interprets the decisions it shall, at the request of either Contracting Party. the Agency's legal expenses including the remuneration of the arbitrators shall be borne in equal parts by both

## **Article 12. Entry Into Force and Duration**

1) This Agreement shall enter into force from the date on which the last notification by which either contracting party notifies the other Contracting Party in writing through diplomatic channels of the completion of the legal procedures necessary for the entry into force of this Convention.

2) This Agreement shall remain in force for a period of ten years and shall remain in force for a period or similar time periods unless either contracting party notifies in writing the other contracting party of its intention to terminate it with a

notice of at least one year before the date of expiry.

3) In the event of termination of this Agreement, the provisions of this Agreement shall remain in force for a further period of ten years from the date of its termination in respect of investments made during the period of validity of the Convention, taking into account the application of the rules of international law after the expiry of this period.

In WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Convention.

This agreement has been completed and signed at Algiers on 4 Moharram 1421 corresponding to 9 April 2000, in two originals in the Arabic language, both texts being equally authentic.

The Government of the Republic.

The Government of the Sultanate of Oman

Algeria

MACKI

Ahmed bin abdenebi

Benachenhou Abdelatif

Minister of National Economy

Ministry of Finance

Vice-President

Financial matters

Energy and resources.