

# **Agreement Between the United Arab Emirates and the Government of the Algerian People's Democratic Republic For Promotion and Mutual Protection of Investments**

The United Arab Emirates and the Government of the Algerian People's Democratic Republic referred to as the "Contracting State".

Whereas the two states have the desire to create favorable conditions for the development of economic cooperation between themselves and in particular for investments made by investors who affiliate a Contracting State in the territory of the other Contracting State.

Recognizing that mutual encouragement and protection for such investments will be an incentive for the revitalization of business initiative and increase prosperity in both States

They have agreed on the following:

## **Article 1. Definitions**

For the purposes of this Agreement, unless the context requires otherwise

1. The term "investment" means: all types of assets that are located in a Contracting State and owned or supervised by an investor who follow other Contracting State, directly or indirectly, whether through affiliates or subsidiaries wherever it is based in a Contracting State or third country. This term includes in particular and not limited to:

- a. Movable and immovable properties and any other ownership of rights, such as rents, mortgages, privileges of debt, mortgage possessory and beneficiary rights and other similar rights.
- b. A company or business venture, joint venture, shares, stocks and other forms of contribution in the property, bonds, debentures and other forms of religious rights in a company or business venture or joint venture debt, other loans and securities issued by any investor of a Contracting State.
- c. Claims in money and claims of any other assets or performance according to a contract with an economic value associated with investment.
- d. Intellectual and industrial property rights, including without limitation, copyright, trademarks, patents, designs, industrial models, technical operations, expertise, trade secrets, trade names, and goodwill.
- e. Any right decided by law or contract or under any licenses or permits granted in accordance with the law, including rights of excavation, exploration and extraction rights or exploitation of natural resources, rights of the manufacture, use, sell products, rights of other economic and commercial activities or the provision of services.
- f. Any change in the form in which assets invested in assets or have been re-invested in, shall not affect its nature as an investment (in accordance with the systems in place in the host country).

The term "investment" also applies to revenues conserved for the purpose of re-investment and resulted from "liquidation" according to the definition of these terms later.

2. The term "investor" means for a Contracting State:

- a. A natural person who has the nationality of the Contracting State in accordance with the laws in force, or
- b. The Government of the contracting State, its bodies and its financial institutions, or
- c. Any legal person or other entity established legally pursuant to the systems of that contracting State such as institutes,

development funds, bodies, institutions, science facilities, agencies, projects, cooperative societies and companies of different forms and types, trade unions, or any similar entity or entities or any entity established outside the contracting authority of the state as a legal person owned or supervised by the Contracting States or any of its citizens or any entity established within the scope of its authority.

3. The term "revenues" means any amounts yielded by the investment regardless of the form it is paid, which includes in particular but not limited to profits, interest, capital gains, dividends, management fees, technical assistance, or in-kind payments of any type.

4. The term "liquidation" means any act carried out for the purpose of total or partial termination of the investment.

5. The term "territory":

For the United Arab Emirates: the territory of the United Arab Emirates, which includes the territorial waters, islands, exclusive economic zone, continental area, and airspace. It also includes natural resources in depths of the sea and earth, and above them in which the United Arab Emirates rights practices its sovereignty in accordance with their national legislation and in accordance with international law.

According to the People's Democratic Republic of Algeria: in the geographical sense, it refers to the territory of Algeria, as well as the sea area, seabed, subsoil of the territorial sea neighboring the Algerian territorial sea on which Algeria practice its sovereign rights and its jurisdiction in accordance with its national legislation and international law.

6. The term "associated activities" means the activities related to investment which are exercised in accordance with the laws of the host contracted state for investment and includes without limitation those activities such as:

a. Construction, supervision and maintenance for branches, agencies, offices or other facilities for the management of work.

b. Regulating companies or acquiring companies or interests in companies or property, administration and supervision of the maintenance, use, enjoyment, expansion and sale or liquidation or termination or any other disposal in companies organized or acquired.

c. Concluding and implementation of contracts related to investments.

d. Acquisition, ownership, use and disposition in property of all kinds in any legal means, including intellectual property, as well as protect them.

e. Borrow money from local financial institutions, as well as buying and selling, issuance of shares, other securities in the domestic financial markets, purchase of foreign money for the implementation of investments in accordance with the laws and regulations of the host country.

7. The term "freely convertible currency," means any currency traded regularly in the two Contracting States, such as the US dollar, Euro, German Mark, the Japanese yen, and the British pound.

8. The term "without delay" means that period, which is usually required to complete the necessary formalities for the transfer of payments. The above-mentioned period begins from the day of submitting the transfer request provided that it does not exceed one month from the date of submission of the complete file required legally.

## **Article 2. Accepting and Encouraging Investment**

1. Each of the Contracting States and in accordance with its laws and regulations in force protect and encourage investment in its territory by the affiliated investors for Contracting State.

2. Each of the Contracting States for the accepted investments in its territory shall grant to these investments, the related activities, related permissions, approvals, permits, licenses, and permits necessary to the extent permitted in accordance with the principles and conditions specified in its laws and regulations.

3. The Contracting States shall consult with each other in any suitable to encourage and facilitate investment opportunities in each territory.

4. Each of the Contracting States shall act in accordance with their laws and regulations related to the entry, residence, and work of natural persons in good faith study the applications of affiliated investors other who affiliate to the Contracting State, applications of high management personnel, technicians, or competent administrators for the purposes of investment, for the entry and temporary residence in its territory.

It shall also give immediate family members the same treatment in relation to entry and temporary residence in the host Contracting States.

Each Contracting State shall allow in accordance with its laws and regulations to investors of the Contracting State who have investments in its territory, after the approval of the investment in the host country, to recruit any key personnel chosen by the investor, regardless of nationality within the period that has allowed them to such a person or persons to enter, stay and work in the territory of the former Contracting State.

5. Both Contracting Parties shall, within the limits permitted by its laws and regulations, allow that the transfer of goods or persons connected with an investment is made through projects affiliated to other Contracting Party.

### **Article 3. Protection of Investments**

1. Investments exercise by investors of either Contracting State shall enjoy complete protection and security in other Contracting State territory, according to its laws in conformity with the recognized principles of international law and the provisions of this Agreement. Neither Contracting Party shall in any way, take arbitrary or discriminatory measures that harm such investments or activities associated with the use, enjoyment in, management, development, maintenance, and expansion of investments.

2. Each of the Contracting States shall as much as possible announce or inform investors about all laws, regulations, judgments, orders, administrative procedures, and guidelines related to or affected by direct investments and related activities in its territory for investors affiliated to other Contracting State.

3. It is not allowed to any of the Contracting States to impose on investors of other Contracting State to make any compulsory procedures that may require or restrict the purchase of materials, energy, fuel or means of production, transportation or operation of any kind or restrict the marketing of products inside or outside the territory of the host Contracting State in favour of investments carried out by investors or third-country investors.

4. In addition to that, it is not allowed to subject investments in the host Contracting State to any measures which may be detrimental to its ability to grow or have a negative impact on its use, enjoyment or management or maintenance or expansion or the other associated activities unless these requirements deemed necessary for considerations of public health or public order or environment and have been applied under the general legal tool which is applicable.

5. Investments made by investors of either Contracting Party shall not be subject in the host Contracting Party to expropriation, confiscation, or any similar measures except in accordance with legal procedures and in line with the applicable principles of international law and other relevant provisions in this Agreement.

6. Each of the Contracting States shall take into account any obligation or commitment that may be a party with regard to its investments and related activities in its territory to investors affiliate to the other Contracting State.

### **Article 4. Treatment of Investments**

1. Each Contracting State in at all times for investments undertaken by the territory investors who affiliate for other Contracting State fair and equitable treatment, treatment should not be in less care granted in similar conditions for special investments for its investors or investor of a third state whichever is the most favourable.

2. Each Contracting State grants investors of other Contracting State regarding activities associated with its investments including the use and enjoyment in the management and development, maintenance and expansion or disposal of such investments a treatment not less favourable than the treatment granted to its investors or to investors of a third state, whichever is the most favourable.

3. Nevertheless, the provisions of this Article shall not be interpreted as a commitment for the Contracting State to submit to the investors affiliated to other Contracting State any transaction advantage, favour, privilege resulted to:

a. Any customs union or economic union or a free trade area or a monetary union or any other form of economic regional arrangement, or any other international agreement similar to any of the Contracting States to be a party or may become a party in it or

b. Any international agreement, regional or bilateral agreement or any other arrangement similar or any local legislation related wholly or mainly to taxation.

### **Article 5. Compensation for Damage or Loss**

Investors of one of the Contracting Parties whose investments have suffered losses as a result of war, another armed conflict, revolution, national emergency, riots or any other similar events, occurring in the territory of the other Contracting Party, shall be accorded by the latter, as regards recovery or other compensation, treatment no less favourable than that accorded by it to its own investors or to investors of any other third State, whichever is the more favourable.

In the event that an investor of a Contracting Party suffers damage in the territory of the other Contracting Party in one of the cases referred to in the above paragraph, as a result of the requisition of his investment by the competent authorities of the latter Contracting Party, the latter shall provide him with prompt, adequate and effective recovery or compensation no less favourable than that accorded by the latter Contracting State to its own investors or to investors of any third State, the most favourable treatment shall be applied in convertible currency.

## **Article 6. Expropriation**

1. Investments made by investors of one of the Contracting Parties in the territory of the other Contracting Party shall not be subject to nationalisation, expropriation, freezing, sequestration, supervision or any other similar procedure (hereinafter referred to as "expropriation") unless the following conditions are fulfilled :

- a. The measures are taken in the public interest and in accordance with legal procedures;
- b. The measures are not discriminatory;
- c. The measures are accompanied by provisions stipulating the payment of real and effective compensation as well as the modalities for the payment of such compensation.

2. The amount of compensation is calculated on the base of the real value of the related investments estimated based on the prevailing conditions before the action of expropriation or advertising. It is entitled to the competent investor request reconsideration as soon as possible of any expropriation and in the amount of compensation and manner of payment by the competent authorities in accordance with the legislation applied by the Contracting Party that has been done on its territory in terms of investment.

3. Compensation will be paid in the original currency of the investment or any other convertible currency and will be paid without delay and freely transferable to the investor. Such compensation shall bear interest on the basis of the prevailing commercial interest rate of the Contracting Party in whose territory the investment was made from the date on which it was fixed until it is paid.

4. If investments of one of exposed to losses as a result of war or armed conflict or a state of national emergency or revolt occurred on the territory of the other contracting party, the owners benefit by the latter by way of compensation from the treatment not be less privileged than that accorded to its own investors or investors of any third state.

5. The term "expropriation" includes interventions or statutory measures by a Contracting State such as freezing or restrict investment or impose a different tax to customs or overpriced for investment or compulsory sale of all or part of the investment or the other have similar measures the same effect such as the confiscation or expropriation of property or which result in depriving the investor in fact from his ownership or dominion over the core or reconciliation in investment or which may result in the loss of or damage to the economic value of the investment.

## **Article 7. Transfer of Payments Related to Investments**

1. Both Contracting States ensure to the investors who affiliate to the other Contracting State after the fulfilment of its tax obligations the free transfer of payments related to investment inside and outside its territory, including the transfer of:

- a. The original capital and any additional capital.
- b. The proceeds.
- c. Payments under a contract, including the repayment of original debt and interest payments owed performed under a loan agreement.
- d. Royalties and fees for the rights referred to article (1) (d) of this Agreement.
- e. The proceeds accrued from the sale or liquidation of all or any part of the investment.
- f. The money gained rewards and other contracted workers from abroad who are linked to the investment.
- g. Compensation of payments in accordance with articles (5) and (6) of this Agreement.

h. Payments referred to in Article (8).

i. Payments arising from the settlement of disputes.

2. The conversion of payments received under paragraph (1) are transferred without delay or restrictions with a convertible currency freely except in the case of payments in kind.

3. Transfers are made without any discrimination at the exchange rate prevailing in immediate transactions in the host contracting States at the date of transfer for instant transactions for the currency to be converted. In the absence of the foreign exchange market, the rate applied is the most recent price applied to incoming investments or fixed exchange rate according to the International Monetary Fund regulations or fixed exchange rate for the currency converted for the rights of withdrawal or to the United States dollars, whichever is the most care to the investor.

## **Article 8. Subrogation**

1. After consultation between the two Contracting States, if a Contracting State or its agency concerned or any other party designated by it ("the guaranteeing party") established or created in that Contracting State, makes a payment under a compensation or guarantee against non-commercial risks which it has subscribed to, relating to an investment in the territory of the other Contracting State ("the host State"), the host State shall recognise :

a. the assignment to the guarantor, under a law or regulatory agreement, of all rights or claims arising out of such investment ;

b. the right of the guaranteeing party to exercise such rights and to enforce such claims and obligations in respect of the investment on the basis of the principle of subrogation.

## **Article 9. Settlement of Disputes between a Contracting State and an Investor**

1. Disputes between a Contracting State and an investor of the other Contracting State concerning an investment of the latter in the territory of the former State shall be settled as far as possible amicably.

2. If the disputes are not settled within six months from the date of written notification of the request of one of the parties to the dispute to the other party for an amicable settlement, the dispute shall be submitted for settlement at the choice of the investor party to the dispute by the means set out below:

a. in accordance with one of the procedures suitable for the settlement of the dispute accepted in advance; or

b. in accordance with the provisions of the chapter on the settlement of disputes of the Unified Convention for the Investment of Arab Capital in the Arab Countries of the year 1980; or

c. international arbitration, in accordance with the following paragraphs of this Article.

3. In the event that the investor chooses to submit the dispute to international arbitration, the investor shall also give notice of its written agreement to submit the dispute to international arbitration :

a. to the International Centre for Settlement of Investment Disputes, established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington on 18 March 1965 ("Washington Convention"), in the event that both Contracting States are parties to the Washington Convention and the Washington Convention applies to the dispute; or

b. an arbitral tribunal to be established under the Arbitration Rules ("the Rules") of the United Nations Commission on International Trade Law (UNCITRAL), as amended by the parties to the dispute (the designating party referred to in Article 7 of the Rules shall be the Secretary-General of the Centre); or

c. to an arbitral tribunal to be appointed on the basis of arbitration rules specific to an arbitration proceeding, to be agreed between the parties to the dispute.

4. Although the investor has submitted the dispute to binding arbitration pursuant to paragraph 3 above, it shall be permitted, prior to or during the arbitral proceedings, to request the judicial or administrative courts of the Contracting State party to the dispute to issue an interim judicial decision for the preservation of its rights and interests. This shall not include a claim for compensation for damages.

5. Upon agreement of both Contracting States, the investment dispute shall be submitted for settlement by binding arbitration in accordance with the investor's choice under paragraph 3 (a) and (b) or by mutual consent of the parties to the

dispute under paragraph 3 (c).

6. The arbitral tribunal to be established under this Article shall decide the issues in the dispute in accordance with the rules of law as agreed between the parties to the dispute. In the absence of such agreement, the law of the Contracting State party to the dispute shall be applied, including its special rules concerning the conflict of laws and the rules of international law recognized in accordance with their application, taking also into consideration the relevant provisions of this Convention.

7. Arbitral awards which may contain an award of interest shall be final and binding on each of the parties to the dispute, and each of the two Contracting States shall immediately enforce such an award and shall take the necessary measures for the effective enforcement of such awards on its territory in accordance with its laws and regulations in force.

## **Article 10. Settlement of Disputes between the Contracting States**

1. Both Contracting States shall, as far as possible, settle any dispute relating to the interpretation or application of this Convention through consultations or other diplomatic channels.

2. If the dispute is not settled within six months from the date on which one of the two Contracting States has requested such consultations through other diplomatic channels, and if the two Contracting States do not agree otherwise in writing, either Contracting State may, on the basis of a written notification to the other Contracting State, submit the dispute to the organs of the Arab League. If the dispute is not settled, it shall be submitted, with the agreement of both parties, to an arbitral tribunal to be established for this purpose in accordance with the following provisions of this Article.

3. The Arbitral Tribunal shall be constituted as follows: Each of the two Contracting States shall appoint one member, and these two members shall agree on a national of a third State with which both States are linked by diplomatic relations, to be chairman and shall be appointed by the two Contracting States. The two members shall be appointed within two months and the chairman within four months from the date of notification by one of the Contracting States to the other Contracting State of its intention to submit the dispute to an arbitral tribunal.

4. If the time-limits laid down in paragraph 3 above are not complied with, either Contracting State may, in the absence of any other arrangement, invite the President of the International Court of Justice to make the necessary designations. If the President of the International Court of Justice is a national of one of the Contracting States or if he is prevented from performing the above-mentioned task, the Vice-President of the International Court of Justice shall be requested to make the necessary appointments. If the Vice-President of the International Court of Justice is a national of one of the Contracting States or if he is prevented from performing the above-mentioned task, the member of the International Court of Justice succeeding him in the order of precedence who is not a national of one of the Contracting States shall be requested to make the necessary appointments.

5. The arbitral tribunal shall reach its decision by a majority of votes. This decision shall be taken in accordance with the provisions of this Convention and with the rules of international law recognized in accordance with their application and shall be final and binding on each of the two Contracting States. Each of the two Contracting States shall bear the fees of the member it has appointed to the arbitral tribunal as well as the fees of its representative in the arbitral proceedings. The fees of the chairman, as well as the other costs, shall be borne equally by the two Contracting States.

The arbitral tribunal shall determine its own procedures with regard to all other aspects.

## **Article 11. Application of other Provisions**

If the legislation of one of the Contracting States or the obligations under international law, present or future, between the two Contracting States in addition to this Convention, including the Unified Convention for the Investment of Arab Capital in the Arab Countries of the year 1980, contains a provision, either general or specific, which grants investments or related activities carried out by an investor of the other Contracting State more favourable treatment than that provided for in this Convention, such provision shall prevail over this Convention to the extent that it provides for more favourable treatment.

## **Article 12. Scope of the Agreement**

This Convention applies to all investments, either those made before the entry into force of this Convention or those made after that date by investors of one of the Contracting States on the territory of the other Contracting State. The provisions of this Article shall not apply to disputes arising before the entry into force of this Convention.

## **Article 13. Entry Into Force of the Agreement**

Each Contracting State shall notify the other Contracting State of the completion of the constitutional procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the 30th day after receipt of the last notification.

## **Article 14. Duration and Termination**

1. This Agreement shall remain in force for a period of twenty (20) years and shall remain in force for a similar term or terms, unless either Contracting State informs the other Contracting State in writing one year before the expiration of the first term or any future term, of its intention to terminate this Agreement.

2. With respect to investments made prior to the date of entry into force of the notification of expiry of this Agreement, the provisions of this Agreement shall remain in force for a period of twenty (20) years from the date of expiry of this Agreement.

In witness thereof, the competent commissioners concerned of both Contracting States have signed this Agreement.

Written in Algeria in this Tuesday on 1 Safar 1422 Hijri corresponding to 24/4/2001, in two originals in Arabic.

For the Government of the United Arab Emirates

Dr. Mohamed KHALFANE BEN KHARBACHE

State Minister of Financial and Industrial Affairs

For the Government of the People's Democratic Republic of Algeria

Abdelatif BENACHENHOU

Minister of Finance