

# **AGREEMENT BETWEEN THE GOVERNMENT OF ROMANIA AND THE GOVERNMENT OF THE DEMOCRATIC AND PEOPLE'S REPUBLIC OF ALGERIA CONCERNING RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS**

The Government of Romania and the Government of the People's Democratic Republic of Algeria hereinafter referred to as the Contracting Parties.

Desiring to intensify economic cooperation by creating favourable conditions for investments by nationals of one Contracting Party in the territory of the other Contracting Party.

Recognizing the need for encouragement and reciprocal protection of investments in order to stimulate the transfer of technology, capital and the creation of jobs in the mutual interest of both Contracting Parties.

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1) The term "investment" means every asset owned by an investor of a Contracting Party invested in the territory of the other Contracting Party, in accordance with the laws and regulations of the latter. The term includes in particular but not limited to:

- a) Movable and immovable property as well as any other rights in rem such as mortgages, privileges and guarantees;
- b) Shares, and other forms of participation shares in companies formed in the territory of one of the contracting parties;
- c) Reinvested returns;
- d) The obligations and rights, claims to any performance having an economic value;
- e) Intellectual and industrial property rights, such as copyrights, invention patents, designs, industrial designs or models, technical know-how, processes, trade names, trademarks and other similar rights recognized by the national laws of the Contracting Party; and
- f) The concessions, including concessions to search for and extract exploit natural resources, as well as any other rights conferred by law, by contract or by a decision of the Authority in accordance with the law.

Any alteration of the form of investment or reinvestment does not affect their character as investments provided that such change is not contrary to the legislation of the Contracting Party in whose territory the investment is made.

2) The term "investor" means:

a) In respect of Romania:

Natural persons who have Romanian citizenship in accordance with the laws and regulations in force in Romania and making an investment in the territory of the people's Democratic Republic of Algeria.

b) In respect of the people's Democratic Republic of Algeria:

Any natural person having the nationality of Algeria under the laws in force in Algeria and making an investment in the territory of Romania.

c) Any legal person constituted in accordance with the laws and regulations of the respective Contracting Party and having its registered office in the territory of the latter and making an investment in the territory of the other contracting party.

3) The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, interests, profits, dividends, royalties and allowances.

4) The term "territory" means, in addition to the zones demarcated overland, maritime areas under the sovereignty and submarine over which the contracting party exercises, in accordance with international law, sovereign rights or jurisdiction.

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

1) Each Contracting Party shall admit and encourage investments in its territory by investors of the other Contracting Party.

2) Investments are admitted in accordance with the law of the Contracting Party in whose territory they are undertaken, shall enjoy the full protection and guarantees provided for in this Agreement.

## **Article 3. Treatment of Investments**

1) Each Contracting Party shall protect within its territory investments made in accordance with its laws and regulations in force, by investors of the other Contracting Party and shall not hinder by unjustified discriminatory measures or the management, maintenance, use, enjoyment or increased sales, where appropriate, the liquidation of such investments.

2) Each Contracting Party shall in its territory fair and equitable treatment to investments of investors of the other Contracting Party treatment not less favourable than that granted by each contracting party to investments made within its territory by its own investors or by investors of any third State if the latter is more favourable treatment.

3) The provisions of this Agreement relating to most favoured nation treatment shall not be construed so as to oblige one contracting party to extend to investments of investors of the other Contracting Party the privileges arising from its membership to present or future any customs or economic union, a free trade area, common market or any other form of regional economic organization or similar accord and international agreements for the avoidance of double taxation or other tax matters Convention.

## **Article 4. Expropriation and Compensation**

1) Investments of investors of one Contracting Party effected within the territory of the other contracting party cannot be nationalised, expropriated or subjected to any other similar measures (hereinafter referred to as "expropriation") except where the following conditions are met:

a) The measures shall be taken for reasons of public purpose and under due process of an appropriate:

b) The measures are not discriminatory:

c) They are accompanied by provisions for the payment of adequate and effective compensation as well as the methods of payment of compensation.

2) The amount of compensation shall be calculated on the real value of the investment concerned and evaluated in terms of the economic conditions prevailing on the day before the date on which the measure was taken where expropriation of publicly available.

At the request of the investor concerned, the legality of the expropriation, the amount and terms of payment of compensation may be reviewed by a competent authority in accordance with the law in force of the Contracting Party in whose territory the investment has been made.

3) The compensation shall be paid in the currency of the original investment or any other convertible currency. they shall be paid without retro transferables freely and to the investor. it shall include interest at the prevailing commercial rate of the Contracting Party in whose territory the investment has been made, since the date of establishment until the date of payment.

4) Investors of one party whose investments contractantes aurent partes suffered due to the guerre or any other armed conflict, revolution, state of emergency or national revolt in the territory of the other party contractante. benefit from this dernière, treatment no less favourable than that accorded to its own investors or to those of the favoured plus nation.

## **Article 5. Transfers**

1) Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall permit, in accordance with its laws and regulations in force and after fulfilment of tax obligations, the free transfer, in particular:

a) Current revenues investment including profits, interest, dividends, royalties:

b) Loans regularly contracted, associated with an investment;

c) Compensation paid under article 4;

d) Proceeds from the sale or partial or total alienation or liquidation of an investment.

2) The provisions of paragraph 1, subparagraph 1 sont également applicable to a proportion of remuneration of workers of the other Contracting Party who are authorised to work in accordance with the law of the Contracting Party in whose territory the investment has been made, in connection with an investment approved.

3) Transfers shall be effected without delay in the currency in which the investment has been made or in any freely convertible currency to be mutually agreed upon at the rate of exchange prevailing on the date of transfer and other charges that the usual taxes and fees.

4) "Without delay" within the meaning of this article shall be considered the transfers made within the period normally requires for the completion of formalities, which cannot transfer exceed in no case a period of two months from the date of the filing of a complete dossier.

## **Article 6. Subrogation**

1) If one of the Contracting Parties or institutions designated by it pay compensation to its own investors under a guarantee given covering non-commercial risks in respect of an investment in the territory of the other Contracting Party, the last Contracting Party shall recognize, by virtue of the principle of subrogation, the transfer of any rights or claims from investors to the former Contracting Party or its designated agencies.

2) As far as the transferred rights, the other contracting party may claim to discharge the institution, in the rights of the investors indemnified the obligations under a legal or contractual relationship with the latter.

## **Article 7. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party**

1) Any investment dispute between a Contracting Party and an investor of the other Contracting Party shall be settled amicably, as far as possible between the parties to the dispute.

2) If these consultations do not solution within six months from the date of notification, the investor may submit the dispute, at his choice for settlement, to:

a) The competent court of the Contracting Party in whose territory the investment has been carried out; or

b) The International Centre for the Settlement of Investment Disputes (ICSID) established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington, on 18 March 1965; or

c) An ad hoc tribunal which unless otherwise direct arrangement between the parties to the dispute shall be established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

3) The Contracting Party which is a party to a dispute may, at any stage of the proceedings concerning disputes concerning investments, invoke for its defence, the fact that the investor has received pursuant to an insurance contract, compensation covering the whole or part of the damage incurred.

## **Article 8. Settlement of Disputes between the Contracting Parties**

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

If within six months from the date on which one of the two Contracting Parties to this request in writing, the dispute is not settled, it shall be submitted at the request of either of the contracting parties to an arbitration tribunal.

2) The arbitral tribunal will be constituted for each individual case in the following way: each Contracting Party shall appoint one arbitrator and the two arbitrators thus appointed shall propose, by mutual agreement, which must be a president is a national of a third State, who shall be appointed by the two contracting parties. the arbitrators shall be appointed within three months and the Chairman within Cine months from the date of the request for arbitration.

3) If the periods specified in paragraph (2) above have not been made, either Contracting Party shall invite the President of the International Court of Justice to make the necessary appointments.

If the President of the International Court of Justice is a national of either Contracting Party or if he is unable to perform this function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. if the Vice-President is a national of either Contracting Party or if he is also prevented from discharging his mandate, the most senior member of the International Court of Justice who is not a national of either of the Contracting Parties shall be invited to make the necessary appointments.

4) The arbitral tribunal shall be decided in accordance with the provisions of the present Agreement and other agreements concluded between the contracting parties, as well as the principles of international law. the decision shall be made by a majority of votes. such decision shall be final and binding on the Contracting Parties.

5) Each Contracting Party shall bear the costs resulting from the appointment of its arbitrator. The cost of the Chairman and the remaining costs shall be borne in equal parts by the contracting parties.

The arbitral tribunal shall determine its own rules of procedure.

## **Article 9. Implementation**

This Agreement shall also apply to the investments made by investors of one Contracting Party in the territory of the other Contracting Party, in accordance with its laws and regulations, before the entry into force of this Agreement provided that such investments are in conformity with the laws and regulations of the Contracting Party in whose territory the investments were made, in force at the date of signature of this Agreement. However, the Agreement shall not apply to disputes which occurred prior to its entry into force.

## **Article 10. Applicable Rules**

1) Where a matter relating to investment is réglé at the time of the present Agreement and in accordance with the national legislation of either Contracting Party or in international conventions or undertaken by the contracting parties in the future, investors of the other Contracting Party could avail itself of the provisions that are most favourable.

2) Whenever, following the laws and other general legal provisions, either Contracting Party provides for more favourable treatment to investors of a third State, as provided for by the present Agreement, they shall benefit from the most-favoured-nation treatment.

3) Investments covered by a special agreement between investors of one Contracting Party and the other Contracting Party shall be governed by the provisions of this Agreement and in accordance with the provisions of this Agreement.

## **Article 11. Entry Into Force and Termination**

1) This Agreement shall enter into force one month after the date on which the contracting parties have exchanged their instruments of ratification.

It shall remain in force for a period of ten years.

Unless one of the Contracting Parties denounces it at least six months before the expiry of the period of validity, whenever it shall be automatically renewed for a further period of ten years, each Contracting Party reserving the right to terminate the agreement by a notification made at least six months before the date of expiry of the current period of validity.

2) On the expiry of the period of validity of the present agreement, the investments made while it was in force, shall continue to benefit from the provisions of this agreement for a supplementary period of ten years.

IN WITNESS WHEREOF the undersigned, duly authorized thereto by representatives, their respective Governments, have signed this Agreement.

Done at Algiers on 28 June 1994 in two originals in Romanian, Arabic and French, languages, each of the three texts being equally authentic.

FOR THE GOVERNMENT OF ROMANIA

Minister of Trade

Cristian Ionescu

FOR THE GOVERNMENT OF THE DEMOCRATIC AND PEOPLE'S REPUBLIC OF ALGERIA

Minister of Trade

Sassi Aziza