

AGREEMENT BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR ALGERIAN REPUBLIC ON THE RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the people's Democratic Republic of Algeria, hereinafter referred to as the contracting parties;

Desiring to enhance economic cooperation between the two States and to create favourable conditions for the development of investment flows between France and Algeria;

Convinced that the promotion and protection of such investments will contribute to fostering the transfer of capital and technology between the two countries in the interest of their economic development,

Have agreed as follows:

Article 1.

For the purposes of this Agreement:

1. the term means "" investment assets, such as property rights of any kind and any asset in connection with an economic activity, and, in particular, though not exclusively:

- a) Movable and immovable property as well as any other rights in rem such as mortgages, liens, pledges, bonds, usufruits and similar rights;
- b) The actions, premiums and discounts shares and other forms of participation, even minority, either directly or indirectly, to companies established in the Territory and the maritime area of one of the Contracting Parties shall;
- c) The obligations and rights, claims to any performance having economic value;
- d) Copyrights, industrial property rights, such as patents, licences, trademarks, industrial designs or models, technical processes, trade names and goodwill;
- e) Concessions granted by law or under contract, including concessions to search for, culture, extract or exploit natural resources including those of the maritime area situated in contracting parties.

It is understood that such investment must be admitted in accordance with the law of the Contracting Party in the territory or maritime area in which the investment is made.

Investments made in the territory of one of the Parties contractantes prior to the entry into force of this Agreement shall benefit from the provisions of this Agreement in accordance with the procedures defined in an exchange of letters attached to this Agreement.

Any alteration of the form of investment or reinvested shall not affect their classification as investment, provided that such change is not contrary to the legislation of the Contracting Party in the territory or maritime area in which the investment is made.

2. The term national "" means natural persons having the nationality of one of the Contracting Parties.

3. The term "companies" juridical means any person in the territory of one of the Contracting Parties shall in accordance with its law and having its registered office or directly or indirectly controlled by nationals of either Contracting Party or by a juridical person with its head office in the territory of one of the Contracting Parties and in accordance with its law.

4. The term returns means all such amounts as interests, profits, dividends, royalties, bonds or royalties, fees incurred during any period of time by an investment or by the reinvestment of the returns of an investment.

Returns shall enjoy the same protection as the investment.

5. This Agreement shall apply to the territory of each Contracting Party as well as the maritime area of each of the Contracting Parties, hereinafter referred to as defined as the economic zone and the continental shelf extending beyond the limits of the territorial waters of each of the Contracting Parties and on which they have, in accordance with international law, sovereign rights and jurisdiction.

Article 2.

Each Contracting Party recognizes and encourages, within the framework of its laws and the provisions of this Agreement, all investments made by companies and nationals of the other party in its territory and in the maritime area.

Article 3.

Each Contracting Party undertakes to provide, in its territory and in the maritime area, fair and equitable treatment in accordance with the principles of international law, to investments of nationals and companies of the other party, ensuring that the exercise of the right thus recognized is hampered in either law or in fact, by unjustified or discriminatory measures that would affect the management, maintenance, use, enjoyment or disposal of such investments.

Article 4.

Each Contracting Party shall, in its territory and in the maritime area to nationals or companies of the other contracting party as regards their investments and activities associated with such investments, the treatment accorded to its own nationals or companies or the treatment accorded to nationals or companies of the most favoured nation, whichever is more favourable. this provision shall also apply to the rights enjoyed by, for the conduct of their professional activities, nationals who are authorised to work in the Territory and in the maritime area of one of the Contracting Parties.

This treatment does not extend to the privileges which either Contracting Party accords to nationals or companies of any third State by virtue of its association or participation in a free trade area, customs union, Common Market or any other form of regional economic organization.

Article 5.

1. Investments made by companies or nationals of either Contracting Party shall enjoy, while the income of these investments in the Territory and in the maritime zones of other contracting party to the protection and security.

2. The Contracting Parties shall not take any measures of expropriation or nationalization or any other measures the effect of which is, directly or indirectly dispossessing nationals and companies of the other party; investments in its territory and in the maritime area, except for a public purpose, and provided that such measures are taken in accordance with legal procedures and that they are neither discriminatory nor contrary to a specific engagement.

The dispossession measures that might be taken shall be subject to the payment of adequate and effective compensation, which 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 measures taken or were known to the public.

Such compensation, its amount and has no later than the date of dispossession. the compensation shall be paid without delay, and effectively realisable freely transferable. it produces until the date of payment, shall include interest at the official rate of interest of the Special Drawing Right, as determined by the International Monetary Fund.

3. Companies or nationals of either Contracting Party whose investments have suffered losses due to a war or any other armed conflict, revolution, state of emergency or national revolt occurring in the territory or maritime zones of the other contracting party benefit, on the part of this latter, from a treatment no less favourable than that accorded to its own nationals or companies or to those most-favoured nation.

Article 6.

Each Contracting Party in the territory or maritime area in which the investments were made by nationals or companies of the other Contracting Party shall grant those nationals or companies the free transfer of:

- a) Profits, dividends, interests and other current income after taxes;
- b) Royalties arising out of intangible rights referred to in paragraph 1 (d) and (e) of article 1;
- c) Payments made for the reimbursement of loans contracted regularly;
- d) The proceeds of the sale of or the partial or total liquidation of the investment, including the value of the investment capital;
- e) Compensation of dispossession or loss as provided for in article 5, paragraphs 2 and 3 above.

The nationals of either Contracting Party who have been authorised to work in the territory or maritime zones of the other Contracting Party in respect of an approved investment shall also be authorised to transfer their country of origin in a proportion appropriate remuneration.

The transfers referred to in the preceding paragraphs shall be effected without delay in the official rate of exchange applicable on the date of transfer.

Article 7.

If the legislation of either contracting party provides a guarantee for investments abroad, it may be granted within the framework of a case-by-case review, to investments made by companies or nationals of that Party in the territory or maritime zones of the other party.

Investments of nationals and companies of one Contracting Party in the territory or maritime zones of the other party may request the Security referred to in the preceding paragraph only if they have previously obtained accreditation of that other party.

Article 8.

1. Any investment dispute between a Contracting Party and a national or company of the other Contracting Party shall as far as possible, be settled amicably between the two parties concerned.

2. If such a dispute cannot be settled amicably within six months from the time at which it was raised by one of the Parties to the dispute, it shall be submitted at the request of the national or company or to the competent court of the Contracting Party involved in the dispute to arbitration, or by 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.

Once the investor has submitted the dispute to the competent court of the Contracting Party involved in the dispute or the ICSID the choice of one of these procedures is final.

3. Unless each Contracting Party is not a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and if such a dispute cannot be settled within six months from the time at which it was raised by either party to the dispute, it shall be submitted at the request of either of the parties to arbitration before an ad hoc tribunal.

The ad hoc tribunal shall be constituted for each individual case in the following way: each party to the dispute shall appoint an arbitrator the two arbitrators shall appoint a third arbitrator who is a national of a third State, who shall be Chairman of the Tribunal. the arbitrators shall be appointed within two months and the Chairman within three months from the date on which the investor has notified to the Contracting Party concerned its intention to resort to arbitration.

If the time limits referred to above have not been complied with, either party to the dispute may request the President of the Arbitration Institute of the Stockholm Chamber of Commerce to make the necessary appointments.

The Ad Hoc Tribunal shall establish its own rules of procedure in accordance with the provisions of the United Nations Commission on International Law

4. For the resolution of the dispute shall take into account the principles of international law and the provisions of this Agreement, the terms of the specific agreement which may have been granted to an investment and the national law of the Contracting Party involved in the dispute, including the rules relating to conflicts of law.

Article 9.

If one of the Contracting Parties, by virtue of a guarantee given in respect of an investment in the territory or maritime zones of the other party makes its payment to one of its nationals or companies, it is thereby entered into the rights and claims of the national or company.

Such payments shall not affect the rights of the holder of the security to resort to remedies provided for in article 8 of this Agreement or to carry out the measures introduced until the end of the procedure.

Article 10.

Investments in respect of a particular undertaking of one of the Contracting Parties with respect to nationals and companies of the other Contracting Party shall be governed, without prejudice to the provisions of this Agreement, the terms of that commitment to the extent that it is more favourable provisions than those laid down in this Agreement.

Article 11.

1. Disputes concerning the interpretation or application of this agreement should, if possible, be settled through diplomatic channels.

2. If within six months from the time at which it was raised by either contracting party, the dispute is not settled, it shall be submitted, at the request of either contracting party to an arbitral tribunal.

3. The Tribunal shall be constituted for each individual case in the following way:

Each Contracting Party shall appoint one member and these two Members shall designate by common agreement, a national of a third State who shall be chairman appointed by both contracting parties. all members shall be appointed within two months from the date one Contracting Party has informed the other contracting party of its intention to submit the dispute to arbitration.

4. If the periods specified in paragraph 3 above have not been made, either Contracting Party, in the absence of any other agreement, invite the Secretary General of the United Nations to make the necessary appointments. if the Secretary-General is a national of either Contracting Party or if he is otherwise prevented from exercising this function, the Under-Secretary-General the oldest and who is not a national of either Contracting Party shall make the necessary appointments.

5. The arbitral tribunal shall reach its decisions by a majority of votes. such decisions shall be final and enforceable automatically to the contracting parties.

The tribunal shall determine its own rules of. it interprets the award at the request of either Contracting Party. unless the tribunal decides otherwise in light of the particular circumstances, the expenses of the arbitral proceedings, including the business of the arbitrators shall be shared equally between the parties.

Article 12.

Each Party shall notify the other of the completion of the internal procedures required for the entry into force of this Agreement, which shall take effect one month after the date of receipt of the last notification.

This agreement is concluded for an initial period of ten years and shall continue in force thereafter the term unless one of the Parties denounces through diplomatic channels with one year notice.

On expiry of the period of validity of the present Agreement investments over which it was in force will continue to benefit from the protection of its provisions for a further period of fifteen years.

For the Government of the French Republic: Michel Sapin for the Government of the people's Democratic Republic of Algeria: Ahmed Benbitour

Algiers on 13 February 1993.