

# Agreement between the Arab Republic of Egypt and the Government of Morocco on the promotion and protection of investments

The Government of the Arab Republic of Egypt and the Government of the Kingdom of Morocco, hereinafter referred to as the Contracting Parties;

Desiring to create favorable conditions for the development and deepening of economic cooperation between the two countries, in particular the investments of investors of one country in the territory of the other;

Recognizing the importance of the exchange of investment promotion and protection and the extent to which this contributes to stimulating the flow of capital and private initiatives to increase the economic prosperity of both countries;

Have agreed as follows:

## Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" shall mean all types of assets owned by an investor of a Contracting Party and invested in the territory of the other Contracting Party in accordance with the laws and regulations in force in each of them and in accordance with the laws and regulations of each, including:

(A) Real estate and movable property, as well as other property rights such as mortgages, concession rights and other mortgages;

(B) Shares, bonds and all forms of contributions to companies;

(C) Cash benefits or any contractual rights of financial value;

(D) Industrial and intellectual property rights, including copyrights, patents, trademarks, industrial designs, trademarks, technical know-how and any other similar rights;

(E) Privileges conferred by law or contract, including concessions for exploration, extraction or exploitation of natural resources.

Any change in the form in which the assets are invested does not affect their investment character.

2. "Investor" means:

(A) Any natural person with Moroccan nationality or Egyptian nationality shall be considered as a national according to the law applicable to each Contracting Party.

(B) Any legal person established in accordance with the law in force in both Contracting Parties and situated in the territory of that Contracting Party.

(C) Any legal entity established in accordance with the law of a third State and subject to a direct or indirect control of the nationals of a Contracting Party or a legal entity based in its territory and economic activity in the territory of that Contracting Party.

When one of the above invests in the territory of the other Party

3. The term "proceeds" means net amounts resulting from consultations, especially profits, interest, dividends, royalties and fees.

4. "Territory" means:

(A) For the Kingdom of Morocco: the soil of the Kingdom of Morocco and the territorial sea and along the sea and the inner depths of the waters adjacent to the beaches. Which are located beyond the territorial waters and the exclusive economic zone, under which Moroccan law, in accordance with domestic law and international law, exercises its sovereign rights, exploring and exploiting its natural resources (continental shelf).

(B) For the Arab Republic of Egypt: the territory of the Arab Republic of Egypt and includes the exclusive economic zone, which enjoys sole jurisdiction, including the seabed and the surface of the land from which the rights of sovereignty or power are exercised under international law.

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

1. Each Contracting Party shall accept and encourage in its territory, in accordance with its laws and regulations, investments by investors of the other Contracting Party, and shall create favourable conditions for such investments.

2. Each Contracting Party shall ensure fair and equitable treatment of investments by the investors of the other Contracting Party, provide full protection and security, and no Contracting Party may take discriminatory measures that impede the conduct, maintenance, utilization, utilization or disposition of the investments of investors of the other Contracting Party established in its territory. Each of the Contracting Parties shall ensure that the commitments made in respect of the investments of the investors of the other Contracting Party are made.

3. Investments subject to the requirements of a special agreement between a Contracting Party and the investors of the other Contracting Party shall be subject to the provisions of that special agreement as long as they provide more favorable terms than the provisions of this Agreement. Investment returns, if reinvested in accordance with the laws of one of the Contracting Parties, enjoy the same protection as the original investment.

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

1. Each Contracting Party in its territory shall make available to the investors of the other Contracting Party a treatment no less favorable than that accorded to investors' investment investments for the investments of any third country investors.

2. Each Contracting Party in its territory shall provide to the investors of the other Contracting Party, in respect of the management, maintenance, utilization, utilization or disposition of their investments, a treatment no less favorable than that accorded to its investors or investors of any third State.

3. The Contracting Parties shall provide the necessary facilities and permits for the entry, exit, residence and employment of the investor and those whose persons are permanently or temporarily connected to investment by experts, administrators, technicians and workers, in accordance with the legislation and laws in force in the host country.

4. The provisions of this Agreement relating to the most favorable treatment accorded to investors of any Contracting Party or a third State, shall not obligate a Contracting Party to grant to the investors of the other Contracting Party any treatment, advantages or preference arising from:

(A) Any economic, mercantile, free trade area, market or any international agreement or any other form of regional economic organization to which a Contracting Party is a member or acceded in the future;

(B) Any international agreement or arrangement or any domestic legislation relating wholly or principally to the tax system;

(C) Any government assistance allocated to its investors within the framework of programs and the simplest national development.

## **Article 4. Expropriation**

1. The procedures for nationalization, expropriation or any other action having the same effect (hereinafter referred to as expropriation) that a Contracting Party may take towards the investments of the investors of the other Contracting Party shall not be discriminatory or unjustified for reasons other than the public interest.

2. A Contracting Party that has expropriated property shall give fair and equitable compensation to the owners of the rights equal to the market value of the investment concerned on the day preceding the day on which the measures were taken or announced publicly.

3. The amount of such compensation shall be determined and made operational and payable without delay within three months of the date of implementation of the above-mentioned measures. In the event of a delay in performance,

compensation shall be calculated at market price, from the date of maturity until performance. Compensation is provided to investors in a convertible currency and is converted into a bond.

## **Article 5. Compensation for Losses**

The investors of one of the Contracting Parties whose investments have suffered losses due to war, armed conflict, revolution, national emergency, uprising or disturbance of other similar events in the territory of the other Contracting Party shall benefit from such treatment as is accorded to its investors or investors Third State. The most favorable treatment shall be taken in respect of restitution, compensation, remuneration or any other settlement relating to such losses.

## **Article 6. Transfers**

1. Each Contracting Party shall guarantee to the investors of the other Contracting Party, after performing their tax duties, the freedom to transfer:

- (A) the invested capital, including reinvested returns or any additional amount to investment maintenance.
- (B) Profits, dividends, interest, royalties or any other current proceeds.
- (C) the amounts necessary for the payment of the loans relating to the investment.
- (D) Proceeds resulting from the sale or liquidation of a wholly or partly of an investment.
- (E) Compensation due in accordance with Articles IV and V.
- (F) Wages, salaries and other remuneration attributable to nationals of one Contracting Party who have been authorized to work in the territory of the other Contracting Party in accordance with the applicable exchange regulations of each Contracting Party.

2. Transfers referred to in paragraph 1 shall be made without delay, in a convertible currency and at the exchange rate in effect on the date of transfer, in accordance with the prevailing exchange regulations of the host country.

## **Article 7. Subrogation**

1. If an investor of a Contracting Party is compensated under a legal or contractual guarantee covering the non-commercial risks of an investment in the territory of the other Contracting Party, the latter shall be known to the Insurer of the Investor's rights in all the rights and entitlements paid.
2. Based on the security granted to the investment concerned, the insured may exercise all the rights that the investor would have exercised had the insured not succeeded.
3. Any dispute between a Contracting Party and the insurer of the other Contracting Party's investment shall be settled in accordance with the provisions of Article 8 of this Agreement.

## **Article 8. Settlement of Disputes Relating to Investments**

1. Any dispute relating to investments arises between a Contracting Party and an investor of the other Contracting Party, which shall be settled as far as possible on through consultations and negotiations between the parties to the dispute.
2. If this dispute can not be settled within six months from the date of its notification in writing, the dispute shall be settled, at the choice of the investor, either by:
  - (A) A competent court of a Contracting Party that has made the investment in its territory.
  - (B) Or to arbitration of the International Center for the Settlement of Investment Disputes, established under the Convention on the Settlement of Disputes between States and Other States, open for signature on 18 March 1965 in Washington.

This option is final and binding on the investor.

3. A Contracting Party which is a party to the dispute may not raise any objection at any stage of the arbitral proceedings or enforce an arbitral award on the ground that the investor of the other party to the dispute has received compensation that partially or wholly covers its losses under insurance.

4. The arbitral tribunal shall make its decisions on the basis of the national law of the Contracting Party to the dispute whose investment is made in its territory, as well as the rules on conflict of laws and the provisions of this Agreement and the special agreements concluded with regard to investment, as well as the principles of international law.

5. The arbitral awards shall be final and binding on the parties to the dispute. Each Contracting Party shall be bound to implement it in accordance with its national law.

## **Article 9. Settlement of Disputes by the Contracting Parties**

1. Disputes arising between the Contracting Parties with respect to the interpretation or application of this Agreement shall be settled to the extent possible by diplomatic means.

2. If such dispute cannot be resolved within six months from the date of commencement of the negotiations, it shall be submitted to an arbitral tribunal at the request of one of the Contracting Parties.

3. The arbitral tribunal shall be constituted in the following form:

Each Contracting Party shall appoint an arbitrator and the two arbitrators shall jointly elect a third national of another State as Chairman of the arbitral tribunal. The two arbitrators shall be appointed within three months and the Chairman shall be appointed within a period of five months, from the date on which a Contracting Party informs the other party of its intention to submit the dispute to the arbitral tribunal.

4. If the time limits specified in subparagraphs (3) of these provisions are not satisfied, a 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 holds the nationality of a Contracting Party or if an impediment is preventing him from exercising this task, the Vice-President shall be invited to make the necessary appointments. If the Vice-President holds the nationality of one of the Contracting Parties or if an impediment prevents him to exercise this function, the most senior member of the International Court of Justice who is not a national of one of the Contracting Parties shall be invited to make such appointments.

5. The arbitral tribunal shall make its decisions on the basis of the provisions of this Agreement and the rules Principles of international law. Decisions are taken by majority vote and are final and binding for both Contracting Parties.

6. The arbitral tribunal shall determine its procedural rules and the place of arbitration unless otherwise agreed between the parties.

7. Each Party shall pay the expenses of the Contracting Party and its expenses in the arbitration. The expenses of the President and the rest of the expenses shall be divided equally between the two Contracting Parties.

## **Article 10. Scope of Application**

The provisions of this Agreement shall benefit the investments made in convertible currencies after the entry into force of this Agreement by the investors of one Contracting Party in the other Contracting Party in accordance with the laws and regulations of the latter.

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

1. This Agreement shall be presented for ratification and shall enter into force thirty days after the date of receipt of the last written notification of the completion by the Contracting Parties of the constitutional procedures entrusted to it by the Contracting Parties in accordance with the Agreement concluded between the two countries in Cairo on March 6, 1976.

2. This Agreement shall remain in force for a period of ten years, renewable automatically for such periods. Either Contracting Party may terminate its work at the end of the first ten years or at the end of any extension, by notifying the Contracting Party of its intention to terminate this agreement, six months before the end of the period.

3. The investments made in accordance with the provisions of this Agreement shall remain subject to it for a period of ten years from the date on which it is completed.

Government of the Kingdom of Morocco

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