

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED ARAB EMIRATES AND THE GOVERNMENT OF THE ITALIAN REPUBLIC FOR THE PROMOTION AND PROTECTION OF INVESTMENTS**

The Government of the Italian Republic and the Government of the United Arab Emirates (hereafter collectively referred to as Contracting Parties or individually Contracting Party);

Desiring to create favorable conditions for greater economic cooperation between the two countries, and in particular for the. Investments by investors of a Contracting Party in the territory of the other Contracting Party, and

Recognizing that the promotion and mutual protection of such investments under the international agreements will help to stimulate entrepreneurial initiatives and promote the prosperity of the two Contracting Parties,

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1 . "Investment" means any activity invested by the Government or by natural or legal persons of a Contracting Party in the territory of the other Party, in accordance with the laws, regulations and administrative practices of that Contracting Party.

Without prejudice to this general context, the term "investment" means:

- a) Movable and immovable property, as well as any other property rights in rem such as usufruct and similar rights, such as usufruct and similar rights;
- b) Equity securities and bonds of Companies or other rights or interests in such companies, loans and securities issued by a Contracting Party or its natural or legal person, and profits retained for the purpose of being reinvested;
- e) Rights on monetary values or on services of an economic value linked to investments;
- d) Copyright, trade marks, patents, industrial design and other industrial property rights, know-how, commercial secrets, trade names and start-ups;
- e) Any rights of a financial nature conferred by law or by contract, as well as any licenses and concessions issued in accordance with the applicable provisions, including those for research on the extraction and exploitation of natural resources.

Any modification of the form in which assets are invested does not affect their classification as investment. Provided that such amendment is not contrary to the recognition, if any, of the goods originally invested.

2 . "Investor" means the Government of a Contracting Party or any natural or legal person of a Contracting Party which invests in the territory of the other Contracting Party.

3 . "Natural person" means, with reference to each of the two Contracting Parties, any natural person having the nationality of that State in accordance with its law.

4 . "Legal person" means, with reference to each of the two Contracting Parties, any entity constituted in accordance with the laws of the State and recognized as such by a legal person, as a public or private undertaking, limited liability company, business associations, , Partnerships, foundations, companies, institutions, agencies, agencies, development funds, businesses; Cooperatives and organizations or other similar entities, irrespective of whether the liability is limited or not; Any entity constituted and recognized outside the jurisdiction of a Contracting Party as a legal person and in which that Party or any legal person between its national or legal persons established within its jurisdiction has a predominant interest.

5 . Income refers to the sums gained from an investment, including, but not limited to, profits or interest, capital gains, dividends, royalties or commissions and payments in kind, including reinvested earnings.

6 . "Territory" refers to areas enclosed within land borders, maritime areas. The latter also include marine and submarine areas on which the Contracting Parties exercise their sovereignty, or exercise, under international law, rights of sovereignty or jurisdiction.

7 . The term "related activities" includes the organization, control, management of the maintenance and sale of legal persons, subsidiaries, agencies, offices, factories and other business management facilities; Stipulates, enforces and enforces contracts; The acquisition, use, protection and sale of any kind of property, including intellectual and industrial property rights; The taking of loans, the purchase and issue of shareholding and the purchase of foreign currency for imports.

8 . The term "freely usable currency" means any currency that is widely used to make payments in international transactions and for which there are buyers in the major exchange markets.

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

1 . The two Contracting Parties shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in their territory and, in the exercise of their powers in accordance with their laws, regulations and administrative practices, shall permit such investments And related activities.

2 . Once made, the investments will enjoy full protection and security at all times, in accordance with international law.

3 . Each Contracting Party shall at all times warrant fair and equitable access to the investments made by investors of the other Contracting Party.

Each Contracting Party shall ensure that the management, maintenance, use, transformation, enjoyment, cessation of liquidation or disposal of investments or rights relating to investments and associated activities carried out in its territory by investors of the ' Other Contracting Party, shall in no way be affected or obstructed by arbitrary, unreasonable or discriminatory measures.

4 .

(i) Each Contracting Party shall endeavor, in order to take the measures and legal provisions necessary to provide adequate facilities, incentives and other forms of promotion of investments made by investors of the other Contracting Party

(ii) Investors of each of the two Contracting Parties authorized to contact the competent authorities of the host country in order to obtain the appropriate facilities, incentives and other forms of promotion and the Host Country shall provide them with assistance, approvals, approvals, licenses and authorizations to the extent and Under conditions that will be determined from time to time in accordance with the laws and regulations of the host country.

5 . With respect to its tax policies, each Contracting Party should endeavor to accord fair and equitable treatment to the investments made by investors of the other Contracting Party.

6 . The Contracting Parties shall periodically consult on matters of investment opportunities within the territory of the other Contracting Party in the various sectors of the economy in order to determine where the investments of a Contracting Party in the territory of the other may be more advantageous in the interest Of both Contracting Parties.

7 . In order to achieve the objectives of this Agreement, the Contracting Parties shall encourage and facilitate the formation and creation of the appropriate legal entities between investors of the Contracting Parties to create, develop and execute investment projects in accordance with the laws and regulations of the country guest.

8 . Investors in each of the two Contracting Parties shall be empowered to employ managerial staff of their trust, regardless of nationality and to the extent permitted by the law of the host country. Contracting Parties shall make all necessary facilities, including the issue of visas and residence permits, for the said management staff and their families in accordance with the laws, regulations and administrative practices of the two Contracting Parties.

9 . Each Contracting Party will make public all laws, regulations, and administrative practices and will make available the information about the practices and administrative procedures that affect or have an effect on the investments.

## **Article 3. Most Favored Nation Clause**

The two Contracting Parties shall, in their territory, accord to the investments and to the income of natural or legal persons of the other Contracting Party a treatment no less favorable than the one most favorable to those invested and the income of their natural or legal persons, Or natural and legal persons from third countries.

The two Contracting Parties shall, in their territory, accord to investors of the other Contracting Party, in respect of the management, maintenance, use, enjoyment, acquisition or sale of their investments or any other related business, a treatment no less favorable than that More favorable than those reserved to their own investors or investors of any third State.

#### **Article 4. Exception**

The provisions of this Agreement relating to the granting of treatment no less favorable than those accorded to its own investors or those of any third State shall not be construed so as to oblige a Contracting Party to extend to investors of the other Contracting Party the benefit of , Any treatment, preference or privilege that results. from:

- 1) Existing or future customs unions, economic unions or areas of free trade or common areas of external tariffs, monetary union or similar international agreements or other forms of regional or sub-regional agreements or cooperation arrangements each of the two Contracting Parties Part or can join; or
- 2) The adoption of an agreement aimed at the formation or extension of that union or area within a reasonable period of time; or,
- 3) International, regional or sub-regional agreements or other arrangements relating in whole or in part to taxation or movements. Of capital or of national legislation in all or part of the taxation; or
- 4) An agreement of the Contracting Party with another State concerning cross-border trade. And aimed at preventing double taxation.

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

1 . If investors in either of the two Contracting Parties are liable for any loss or damage to their investment in the territory of the other Contracting Party due to wars or other forms of armed conflict, revolutions, national emergency, riots, insurrections, riots or In other similar circumstances, the Contracting Party in which the investment is effected shall grant such investors compensation, indemnities, indemnification, compensation or other recognition, no less favorable treatment than the one bestowed on them by its investors and Investors of any third State.

2 . Without prejudice to paragraph 1 of this Article, investors of a Contracting Party who, during one of the events referred to in that paragraph, have suffered damage or loss in the territory of the other Contracting Party resulting from paragraph 1 of this Article, Investors of a Contracting Party that during any of the events referred to in that paragraph have suffered damage or loss in the territory of the other Contracting Party deriving from:

- (a) Sequestration of their investments or property by themselves. Of the authorities;
- (b) Destruction of their investments or property by the. Authority not caused by combat or unnecessary of the necessity of the situation will be granted a reminder and adequate compensation for damages and losses suffered during the period of the seizure or as a result of the destruction of the property. Payments will be made in a freely usable currency and will be freely transferable without undue delay.

#### **Article 6. Nationalization or Expropriation**

Investors' investments by either Contracting Party or its natural or legal persons shall not be subject to sequestration, confiscation or similar measures that may permanently or temporarily restrict the related property, possession, control or enjoyment rights, except where This is specifically provided by law or on the basis of the decision of a competent court issued in accordance with the laws in force.

Investments of natural or legal persons in either Contracting Party shall not be directly or indirectly nationalized, expropriated, frozen or subjected to measures having equivalent effect to nationalization or expropriation in the territory of the other Contracting Party, including the imposition of Taxes, the mandatory sale of all or part of an investment or the impediment or deprivation of its management and control. All these actions refer to the expedition, except in cases where the expropriation:

To . Be carried out for public purposes or national interest;

B. Be carried out in accordance with all legal provisions and procedures and not discriminatory;

C. Does not violate any specific provision or contractual clause or expropriation contained in the Investment Agreement between the natural and legal persons concerned and the party making the expropriation;

D. Is carried out in accordance with regulations and judgments issued by competent courts or tribunals;

Is . The investor has the right to admit the administrative or legal entities of the other Contracting Party to ensure that the expropriation has been carried out in accordance with the principles of national law;

F. The investor has the right to challenge the expropriation or other similar measures with the competent courts of the Contracting Party. Which has adopted these measures;

G. Be accompanied by an immediate, full and effective reparation.

3 . Fair compensation will be calculated on the basis of the actual market value of the investment immediately prior to the date on which the nationalization or expropriation decision was announced or made public and will be determined in accordance with accepted valuation principles leading to the value of Market according to the internationally accepted evaluation parameters. If such market value can not be readily verified, the compensation will be calculated on the basis of the value that exemplifies the company's business. Compensation shall include an interest calculated on the basis of the half-year LIBOR accrued from the date of nationalization or expropriation on the date of payment. Where it is not possible to reach an agreement between the investor and the Contracting Party having the responsibility, the amount of such compensation shall be calculated in accordance with the dispute settlement procedures referred to in Article 9 of this Agreement. Article 9 of this Agreement Agreement.

Once the indemnity is determined, it will be paid out with diligence and will be issued with a permit for convertible currency repatriation.

4 . If a Contracting Party nationalizes or expropriates a person's investment: a legal entity constituted or authorized under the law in force in the territory and in which the other Contracting Party or its investors have shares, securities, bonds or other rights of interest It must guarantee immediate, full and effective reparation and allow it to be repatriated.

Such compensation shall be determined and paid in accordance with the provisions of this Article.

5 . The provisions of this Article shall also apply to investment profits and, in the case of liquidation, the proceeds of that investment.

6 . If the measures referred to in this Article are no longer applicable, declared applicable in. The time limits laid down by the relevant laws or regulations or measures have been declared by the competent authorities no longer compatible with public or national interest, the investor concerned shall, at its request, be entitled to apply for the recovery of the property or Of the possession of the affected investments.

## **Article 7. Repatriation of Capital and Income**

1 . Each of the Contracting Parties shall, without undue delay, and after all tax obligations, including income tax, have been fulfilled, shall be transferred abroad in any freely usable currency.

a) . Net profits, dividends, royalties, technical assistance and technical fees, interest and other earnings from investments made by investors of the other Contracting Party;

b) Income from total or partial sale or total or partial liquidation of an investment;

c) Funds for repayment of loans;

d) Remuneration and benefits paid to natural persons of the other Contracting Party authorized to engage in activities and services in respect of an investment made in its territory;

e) Capital spent on managing and depreciating the capital inclusive of the additional funds spent on maintaining the investment.

2 . Without prejudice to the scope of Article 3 of this Agreement, the Contracting Parties undertake to accord the transfers referred to in paragraph 1 of this Article a favorable treatment as those accorded to transfers resulting from investments made by investors of third States. Article 3 of this Agreement, the Contracting Parties undertake to grant the transfers referred to in paragraph 1 of this Article favorable treatment than those accorded to transfers made by investments made

by third-country investors.

3. The transfers referred to in Articles 5, 6, 7 and 8 shall be effective without undue delay. The exchange rates applicable to such transfers referred to in paragraph 1 of this Article shall be at the exchange rate applicable at the date of the transfer. Articles 5, 6, 7 and 8 shall be effective without undue delay. The exchange rates applicable to such transfers referred to in paragraph 1 of this Article shall be at the exchange rate applicable at the date of the transfer.

## **Article 8. Subrogation**

1. In the event that a Contracting Party has provided a guarantee against non-commercial risks for investments made by one of its investors in the territory of the other Contracting Party and has made payments to those investors on the basis of that insurance, the other Contracting Party shall recognize the transfer of the investor's rights to the first-mentioned Contracting Party whose surrogate right shall not exceed the original rights of the investor. In relation to the transfer of payments to the other Contracting Party, pursuant to such transfer, the provisions of Articles 5, 6 and 7 shall apply. Articles 5, 6 and 7.

2. Notwithstanding the provisions of Article 1 of this Agreement, this Article shall only apply to investments made after the entry into force of this Agreement where the investment was recorded, if necessary, by the competent authorities of the Contracting Party in the territory of which it has been carried out. Article 1 of this Agreement shall apply only to investments made after the entry into force of this Agreement where the investment was recorded, if necessary, by the competent authorities of the Contracting Party in whose territory it was carried out.

## **Article 9. Composition of Investment Disputes**

1. Disputes, including those relating to the amount of compensation for expropriation, nationalization or similar measures that arise between a Contracting Party and investors of the other Contracting Party in respect of investments made by that investor in the territory and maritime areas of the other Contracting Party shall, as far as possible, be reconfigured in a friendly manner.

2. If such disputes can not be resolved, within the meaning of paragraph 1 of this Article, within six months of the date on which a written redemption request has been made, the investor concerned may bring the dispute to the competent court of the Contracting Party which has jurisdiction to decide, to an Arbitral Tribunal in accordance with the provisions of the Protocol; (C) to the International Settlement Arbitration Center for the Settlement of Arbitration Procedures referred to in the Washington Convention of 18 March 1965 on "Composition of Litigation in the Field of Investments between States and Citizens of Other States", paragraph 1 of this Article, within six months of the date on which a written redemption request has been made, the investor concerned may submit the dispute to the competent court of the Contracting Party having jurisdiction to decide, to a Court of First Instance Arbitration under the provisions of the Protocol; (C) to the International Settlement Arbitration Center for the Settlement of Arbitration Procedures referred to in the Washington Convention of 18 March 1965 on "Composition of Litigation in the Field of Investments between States and Citizens of Other States".

3. No Contracting Party shall treat any diplomatic channels through any diplomatic channels. To the arbitration procedure until such proceedings have been instituted and the other Contracting Party has not complied with or failed to comply with the decision of the arbitral tribunal within the time-limits prescribed by the decision in accordance with the domestic law.

## **Article 10. Reconciliation of Contracts between Contracting Parties**

1. Disputes arising in connection with the interpretation or application of this Agreement shall be reconstituted as much as possible by both Parties through diplomatic channels.

2. If such disputes can not be resolved within three months of the date on which each of the two Contracting Parties informs the other Contracting Parties, they shall, at the request of one of the two Contracting Parties, be subject to an ad hoc Arbitral Tribunal in accordance with the provisions of This Article is ad hoc in accordance with the provisions of this Article.

3. The Arbitral Tribunal shall be constituted in the following manner: within two months of receipt of the request for arbitration, each Contracting Party shall appoint an arbitrator. The two arbitrators shall then designate a national of a third State who has diplomatic relations with both Contracting Parties, who shall act as President (hereinafter referred to as the President).

The Chairman shall be appointed within three months from the date of the appointment of the other two arbitrators.

4 . If, within the time limit referred to in paragraph 3 of this Article, the Contracting Parties have not appointed their arbitrator or the two arbitrators do not agree with the President, a request may be made to the President of the International Court of Justice for the appointment of Paragraph 3 of this Article The Contracting Parties have not appointed their arbitrator or the two arbitrators do not agree with the President, a request may be made to the President of the International Court of Justice for appointment.

If he is a citizen of either of the two Contracting Parties or otherwise can not perform the post, the Vice-President will be invited to proceed with the appointment. If the Vice President is also a citizen of either of the two Contracting Parties or otherwise can not perform the post, he will be the oldest member of the International Court of Justice who is not a citizen of the two. Contracting Parties to designate.

5 . The Arbitral Tribunal shall decide by a majority of. votes. His decisions are binding. Each Contracting Party shall bear the costs incurred by its arbitrator and his advice in arbitration proceedings; The costs of the President and the remaining costs will be borne equally by the Contracting Parties. The Arbitral Tribunal will determine its own procedures.

## **Article 11. Investment Application**

This Agreement will be applied to investments made in the territory of one of the two Contracting Parties by investors of the other Contracting Party before or after the entry into force of the present Agreement in accordance with applicable laws, regulations and regulations.

## **Article 12. Relations between Governments**

The provisions of this Agreement shall apply irrespective of the existence or otherwise of diplomatic or consular relations between the Contracting Parties.

## **Article 13. Application of other Rules and Special Commitments**

1 . If a matter is governed both by this Agreement and by other agreements to which the two Contracting Parties have acceded, or by general principles of law commonly recognized by either Contracting Party or by the domestic law of the host country, nothing shall prevent each Contracting Party or Each of its investors who has made investments in the territory of the other Contracting Party to make use of any provision which is most favorable to their own case.

2 . Investments subject to special contracts or commitments undertaken by a Contracting State in respect of investors of the other Party shall be governed, notwithstanding the provisions of this Agreement, by the terms of such contracts and commitments insofar as their provisions are more favorable than those of As stipulated in this Agreement.

3 . Each Contracting Party shall comply with its obligations under this Agreement in accordance with national law.

## **Article 14. Entry Into Force**

This Agreement will enter into force as soon as the two Contracting Parties have been notified of the completion of their respective constitutional procedures.

## **Article 15. Duration and Cessation**

1 . This Agreement shall remain in force for ten (10) years and shall remain in force for a further period or additional periods of 10 years, unless one of the two Contracting Parties notify the other in writing of their intention to terminate the Agreement One year before the expiry of the initial period or each subsequent period. The denunciation shall become effective one year after being received by the other Contracting Party.

2 For investments made prior to the date on which the Agreement is denounced, the provisions of this Agreement will remain in force for a further five (5) years from the date of termination of this Agreement.

DONE at Abu Dhabi on 22 January 1995, corresponding to 21 Sha'Ban 1415, in duplicate, in the Italian, English and Arabic languages, all of which are equally authentic.

In case of divergence, the English text will be authentic.

FOR THE GOVERNMENT OF THE ITALIAN REPUBLIC

FOR THE GOVERNMENT OF UNITED ARAB EMIRATES