

Agreement between the Kingdom of Morocco and the Syrian Arab Republic to encourage and protect investments

The Government of the Kingdom of Morocco, and the Government of the Syrian Arab Republic,

Hereinafter referred to as the Contracting Parties,

Desiring to expand and develop economic cooperation for the benefit of the two countries, and recognizing the need to provide the right investment climate to encourage their citizens to invest part of their savings in the establishment of economic and service projects in the country of the other party,

Have agreed as follows:

Article I. Definitions

For purposes of this Agreement.

1) The term "investments" means all types of assets owned by an investor of a Contracting Party and invested in the territory of the other Contracting Party, after the date of entering into force of this agreement, which is associated with the acceptance by the host country of the investment, in accordance with the laws and regulations in effect.

2) The word "Investment" includes in particular, but not limited to:

A. The movable and immovable property belonging to the investment projects included in one of the investment laws in force in the host country, as well as related guarantees such as mortgages, concessions and other pledges.

B. Companies' shares, bonds, securities and stocks in the ownership of companies, that are permitted to be traded in accordance with the applicable laws and regulations in both countries.

C. Industrial and intellectual property rights, including rights related to publishing, patents, trademarks, trade names, industrial designs, trade secrets, technical manufacturing operations, literal knowledge and commercial reputation used in a licensed investment project in accordance with the provisions of one of their applicable investment laws.

Any change in the legal form of the assets invested does not affect their investment character, according to the regulations in force in the host country.

3) The term "Investor" means:

A. Natural persons of the nationality of one of the two Contracting Parties according to its laws, and practicing the investment activity in the territory of the other Contracting Party in accordance with the applicable investment promotion laws and regulations.

B. Legal persons (entities and units recognized as such) in accordance with the laws of the Contracting Party, such as public, private and joint companies and institutions who practice investment activity in the country of the other Contracting Party.

4) The term "returns" means net amounts resulting from the investment in accordance with the laws of a host country, including in particular, but not limited to profits and dividends

5) The term "Territory" means:

A. For the Kingdom of Morocco:

The Kingdom of Morocco soil, territorial waters and along the sea and the seabed of the waters adjacent to the shores of Morocco available beyond the territorial water and the special economic zone on which Morocco has sovereign rights according to its law and the international law for the purpose of exploring and exploiting natural resources (The Continental

Shelf);

B. Regarding the Syrian Arab Republic:

It means Syria (the Syrian Arab Republic) in its geographical sense. It means the land of the Syrian Arab Republic, including the territorial sea, the continental mainland, the subsoil thereof, and the airspace above it and all other areas outside the Syrian territorial waters, where Syria exercises the right of sovereignty in accordance with international rights and its national legislation for the purposes of extracting and investing natural, biological and mining resources and all other rights Which are found in water, land and under the sea bed.

Article II. Promotion and Protection of Investments

1) Each of the Contracting Parties shall encourage and create favorable conditions for investors from the other Contracting Party to invest capital in its territory and accepts such investments in accordance with its national laws and regulations.

2) Each of the Contracting Parties shall provide the facilities and permits necessary for entry, exit, residence and work for the investor and for those whose working permanently or temporarily in relation to the investment, like experts, administrators, technicians and workers in accordance with the legislation and laws in force in the host country.

3) Each of the Contracting Parties shall be obligated to grant a fair and equitable treatment to the investments of the investors of the other Contracting Party and these investments shall enjoy full protection and security. Likewise, the companies and projects in which these investments were made shall not be subject to any discriminatory measures that are not legally justified.

4) The investments and returns which are not employed by natural or legal persons in the country of the other Contracting Party shall enjoy the facilities, incentives and other forms of encouragement, including exemptions from taxes and fees stipulated in the investment laws and regulations in force in the host country in which the investment was authorized.

These investments and their returns benefit from the benefits established by the 1980 Unified Agreement for the Investment of Arab Capital in the Arab States, concluded within the scope of the League of Arab States and the subsequent amendments thereto, to which each of the Contracting Parties is a party and ratified by it.

Article III. Treatment of Investments

A. Each Contracting Party must guarantee a fair and equitable treatment of the investments of the investors of the other Contracting Party established according to its investment promotion laws and regulations, and this treatment should not be less favorable than that granted and applied to its citizens.

B. Each Contracting Party shall provide in its territory, to the investors of the other Contracting Party with regard to facilitating, maintaining, using, managing or disposing of their investments, a treatment no less favorable than that granted to its investors.

Article IV. Expropriation, Nationalization

1) Investments by investors of either Contracting Party shall not be subject to nationalization, confiscation, or any other measures of similar effect, directly or indirectly, in the territory of the other Contracting Party, unless this is for general purposes and on a non-discriminatory basis and in exchange for fair compensation in accordance with legal procedures and paid without unjustified delay.

2) Fair compensation shall be based on the real market value on the day immediately preceding the day on which the expropriation or nationalization measures were taken.

3) The Contracting Party that is obligated to pay the compensation is granted a period of six months from the date the value of the compensation is determined, to pay the compensation to investors in a convertible currency that is freely transferrable.

Article V. Losses

Investors from either of the Contracting Parties whose investments were affected by losses due to war, armed conflict, revolution, state of emergency, civil unrest or disobedience in the territory of the other Contracting Party, shall receive treatment no less favourable than that granted by the other Contracting Party to its investors for the recovery of their

investment, or compensation for damages or other types of compensation.

Article VI. Transfer of Capital and Exchanges

Each Contracting Party shall allow the transfer abroad of the capital and its returns invested in its territory, in the same currency in which it was originally received or in any freely convertible currency according to the applicable investment laws and regulations, after the performance of tax duties, and this includes for example:

- 1) The invested capital, including the reinvested returns, for the purpose of maintaining or increasing the investment.
- 2) Profits, dividends, or other returns due on any investment made by an investor in the other Contracting Party in accordance with the investment laws in effect.
- 3) Funds resulting from the total or partial liquidation of any investment made by investors from the other Contracting Party.
- 4) the repayment of loans obtained by the investor from abroad and in foreign currencies, with the knowledge of the host country, for the purpose of financing or expanding investment.
- 5) The compensation mentioned in Articles 4 and 5 of this Agreement, and the payments received from disputes related to the project

Article VII. Settlement of Disputes between the Investor and the Host State

1) Disputes relating to various aspects of investment and related activities between one of the Contracting Parties and an investor of the other Contracting Party shall be settled through conciliation.

2) If it is not possible to settle this dispute by mutual consent within six months, starting from the date of its notification in writing, the dispute shall be submitted at the choice of the investor, either:

A. To arbitration,

B. To a competent court of the Contracting Party in which territory investment was made, or

C. To the updated Arab Investment Court in accordance with the provisions of Chapter Six of the Unified Agreement for the Investment of Arab Capital in the Arab States and its Appendix, agreed to by the Arab Economic and Social Council in Decision No. 841 dated 13-05-2015.

And this choice is final and binding on the investor.

3) In the event that a guarantor replaces the investor in any of the conflict or cases stipulated in the provisions of this agreement, in the field of compensation for the licensed investment, the guarantor has the right to follow the procedures of arbitration or filing a lawsuit before the national judiciary or the Arab Investment Court and has the same rights as the investor.

4) The arbitral tribunal shall make its decisions based on the national law of the Contracting Party to the dispute in whose territory investment is taking place, as well as the rules relating to conflict of laws and the provisions of this agreement.

5) Arbitral decisions are final and binding for both parties to the dispute, and each Contracting Party is obligated to implement them in accordance with its national law.

Article VIII. Settlement of Disputes between the Contracting Parties

1) Any dispute between the Contracting Parties regarding the interpretation of the provisions of this agreement will be settled in consultation between representatives of the Contracting Parties.

2) If the dispute arises from the application of this agreement, then if an amicable agreement was not reached between them within twelve months after the start of the dispute, at the request of one of the Contracting Parties, the dispute may be submitted to a three-member arbitration panel.

3) Each Contracting Party shall appoint one arbitrator, and these arbitrators must appoint a President of the arbitral tribunal who is a citizen of a third country.

4) If one of the Contracting Parties did not appoint its arbitrator and did not take into consideration the invitation of the

other Contracting Party to make that appointment within two months, that arbitrator must be appointed at the request of that Contracting Party by the Secretary General of the League of Arab States.

5) If both arbitrators are unable to reach an agreement on choosing the President of the arbitral tribunal within two months after their appointment, that President must be appointed at the request of either party by the Secretary General of the League of Arab States.

6) The arbitral tribunal shall determine its legal proceedings taking into account the other provisions agreed upon by the two Contracting Parties.

7) Each Contracting Party shall bear the expenses of the arbitrator it has appointed and the expenses of its representation in the arbitral proceedings. The Contracting Parties shall bear the expenses of the President of the arbitral tribunal and the remaining expenses equally.

8) The decisions of the arbitral tribunal are final and binding on each Contracting Party.

Article IX. Most-favoured Nation Treatment

Each of the Contracting Parties shall grant the other party the most favored nation treatment in the application of the provisions of this agreement.

This most favorable treatment does not oblige one of the Contracting Parties to grant the other party's investors any treatment, advantages or preference resulting from the following:

- 1) An economic union;
- 2) A customs union;
- 3) A common market;
- 4) A border trade agreement;
- 5) Any international agreement, arrangement, or domestic legislation that relates, in whole or partially, to the tax system;
- 6) Free trade zones except those in which both countries are members.

Article X. Subrogation

1) If the authorized investment of an investor from one of the Contracting Parties is insured against non-commercial risks according to the law and with the approval of the other Contracting Party, any rights for the guarantor resulting from the terms of the guarantee agreement must be recognized by the other Contracting Party.

2) The guarantor shall not be authorized to exercise any rights other than those that the investor is authorized to exercise under the provisions of this agreement.

3) The dispute between a Contracting Party and such a guarantor is settled according to the provisions of Article Seven throughout this agreement.

Article XI. Entry Into Force

This agreement shall enter into force after (30) days from the date of the last notifications that the procedures for ratification according to the legal rules adopted by the two Contracting Parties, have been completed.

Article XII. Duration and Termination

This agreement is valid for a period of ten years, after which it renews its receipt for similar periods unless one of the Contracting Parties notifies the other Contracting Party in written, of its desire to terminate it one year before the date of its expiry date, and the investments made before its termination date shall be subject to it for a period of ten years from the date of such termination.

For the Government of the Syrian Arab Republic

Minister of Economy and Foreign Trade

Dr. Muhammad A.

For the Government of the Kingdom of Morocco

Minister of Industry and Trade, Energy and Minerals

Mustafa Al-Mansoori

Protocol

Based on the provisions of the Agreement on the Promotion and Protection of Investments concluded between the Government of the Kingdom of Morocco and the Government of the Syrian Arab Republic, signed in Damascus on October 23, 2001 corresponding to 6 Shaaban 1422 AH,

The two Contracting Parties agreed to form a joint committee headed by the two competent ministers or their representatives, which includes in its membership representatives of the ministries and relevant authorities in both countries.

Its duties include the following:

- 1) Follow up the implementation of the provisions of this agreement, address the differences and difficulties that may arise during its implementation, and propose appropriate solutions to settle it, including the interpretation of its provisions.
- 2) Examine ways and means to encourage investment between the two Contracting Parties.
- 3) Discuss ways and means of establishing and financing joint projects in both countries.
- 4) Study the proposals referred to it by the relevant authorities in both countries in the field of implementing the provisions of the agreement.
- 5) To play a conciliatory role for disputes related to investment activity and work to resolve them amicably at the request of one of the investors in the two countries.

The joint committee will meet periodically in Damascus and Rabat, whenever necessary.

Done and signed in Damascus on 6 Shaban 1422 AH corresponding to October 23, 2001.

For the Government of the Syrian Arab Republic

Minister of Economy and Foreign Trade

Dr. Muhammad A.

For the Government of the Kingdom of Morocco

Minister of Industry and Trade, Energy and Minerals

Mustafa Al-Mansoori