Agreement between the Government of the People's Democratic Republic of Algeria and the Government of the Islamic Republic of Mauritania on the reciprocal encouragement and protection of investments.

The Government of the People's Democratic Republic of Algeria and the Government of the Islamic Republic of Mauritania (hereinafter referred to as the Contracting Parties) ;

Desirous of finding the necessary conditions for the strengthening of economic cooperation between the two countries;

Convinced that the encouragement and protection of investments on the basis of a bilateral agreement will make it possible to stimulate private economic initiatives and the strengthening of prosperity in the two countries;

Mindful of the need to accord fair and equitable treatment to investments made by investors of one Contracting Party in the territory of the other Contracting Party;

Have agreed as follows:

Article 1. Definitions

For the application of this agreement:

(1) the term "investment" means all assets that are invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with its laws, and includes in particular but not exclusively :

(a) movable and immovable property, as well as all other property rights such as mortgages, concessions, rights of use and other similar rights ;

(b) shares, stocks and other forms of participation in the companies' own funds ;

(c) securities, monetary claims and rights relating to services of economic value ;

(d) intellectual property rights such as copyright and other related rights, patents, authorisations, designs, models, trademarks, technical processes, the know-how and customers ;

(e) concessions granted by law or contract and particularly concessions relating to the exploration, extraction and exploitation of natural resources.

Any change in the form in which the assets have been invested shall not affect their character as investments, provided that such change is not contrary to the laws of the Contracting Party on whose territory the investment was made;

(2) the term "income" means all amounts generated by an investment and includes, in particular, profits, capital gains, dividends, profits, royalties and bonuses ;

The income from the investment shall, if reinvested, enjoy the same protection as is afforded to investments;

(3) the term "investor" means:

- any natural person who is a national of a Contracting Party, in accordance with the laws of that Contracting Party, who makes an investment in the territory of the other Contracting Party;

- any legal person established, in accordance with the laws of a Contracting Party, who makes an investment in the territory of the other Contracting Party;

(4) the term "territory" means :

* as regards the People's Democratic Republic of Algeria: it means the land territory, the territorial sea and beyond it, the various areas of maritime space over which the People's Democratic Republic of Algeria exercises, in accordance with its national legislation and/or international law, sovereign rights and/or jurisdiction, for the purpose of exploring, exploiting, conserving and managing the natural resources of the seabed, its subsoil and the waters above it,

* as regards the Islamic Republic of Mauritania, it means the territory under its sovereignty, which includes the territorial sea, the exclusive economic zone, the continental shelf and other areas over which the Islamic Republic of Mauritania exercises sovereignty and authority in accordance with its laws and international law.

Article 2. Investment Promotion and Protection

1. Each Contracting Party shall, within the framework of its laws, accept and encourage investments made in its territory by investors of the other Contracting Party.

2. Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall enjoy fair and equitable treatment and full protection and security.

Article 3. National Treatment and Most-favoured-nation Treatment

1. Each Contracting Party shall accord in its territory to investments of investors of the other Contracting Party treatment no less favourable than that which it accords to investments of its own investors or to investments of investors of a third State, whichever treatment is more favourable to the investor.

2. Each Contracting Party shall accord in its territory to investments of investors of the other Contracting Party treatment no less favourable than that which it accords to investments of its own investors or to investments of investors of a third State, with respect to the management, maintenance, use and enjoyment of their investments, whichever is the more favourable to the investor.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to require either Contracting Party to extend to investors of the other Contracting Party the benefits of any treatment or preference or privilege arising from:

- any free trade area, customs union, common market or similar international agreement relating to the establishment of such unions in which either contracting party is or will be a member, and all other forms of regional economic organizations ;

- conventions for the avoidance of double taxation or any other international conventions in the field of taxation.

Article 4. Compensation for Losses

Investors of a Contracting Party whose investments in the territory of the other Contracting Party suffer losses as a result of armed conflict, revolution, insurrection, riots or disturbances in the territory of the latter Contracting Party shall, as regards compensation for losses, reparation, compensation or restitution or any other form of settlement, be accorded by that Contracting Party treatment no less favourable than that which the latter Contracting Party accords to its own investors or to investors of a third State.

Article 5. Nationalization or Expropriation

1. Investments made by investors of one of the Contracting Parties in the territory of the other Contracting Party shall not be nationalised or subjected to a measure having an effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") except in the public interest, in accordance with legal procedures provided that such procedures are non-discriminatory.

The taking of any measure for expropriation shall give rise to immediate and appropriate compensation. The amount of compensation shall be equal to the real value of the investments concerned on the day before the measure is taken or on the day on which the measure was made public. Such compensation must be effective and payable without delay and freely transferable. Such compensation shall include the amount paid for the compensation for any unjustified delay in settling the compensation, to be paid by the contracting party which carried out the expropriation.

2. The investor affected by the expropriation of the investment shall enjoy, in accordance with the law of the expropriating

contracting party, the right of immediate review by a judicial or administrative authority independent of that contracting party, to decide on the legitimacy of the expropriation measures and the evaluation of its investments on the basis of the principles set forth in this Article.

Article 6. Transfer

1. Each Contracting Party shall allow investors of the other Contracting Party to freely transfer funds relating to their investments, including but not limited to :

- initial capital and any additional capital for the maintenance and development of the investment;

- income;

- payments made for the repayment of loans contracted in accordance with the laws;

- the proceeds of the liquidation or sale of all or part of the investment;

- compensation due in accordance with Articles 4 and 5 of this agreement;

- an appropriate share of the remuneration of workers authorised to work in the territory of the other Contracting Party, as part of an investment made in accordance with the law.

2. The transfers referred to in the first paragraph of this Article shall be made without delay, in a convertible currency on the basis of the exchange rate prevailing on the date of transfer in the territory of the Contracting Party in whose territory the investment was made, in accordance with the procedures provided for in the exchange regulations in force. These procedures must not be in contradiction with the free transfer.

Article 7. Subrogation

1. If one of the Contracting Parties or its relevant agency ("first Contracting Party") makes payments to its investors under a guarantee given in respect of an investment made in the territory of the other Contracting Party ("second Contracting Party"), the latter ("second Contracting Party") shall recognise :

(a) the assignment by the investors to the first Contracting Party, by law or legal contract, of all rights and claims arising out of that investment ;

(b) the right of the first Contracting Party to exercise such rights and to enforce such claims and obligations relating to the investment, on the basis of the principle of subrogation, within the same limits as are of the right of the investor.

2. The first contracting party shall have the right, in any the circumstances:

(a) the same treatment in respect of rights and claims inherited assets and the commitments entered into, by virtue of the disposal referred to in the first paragraph above ;

(b) all payments to be received on the basis of of these rights and claims.

Article 8. Settlement of Disputes between Contracting Parties

1. Any dispute between the Contracting Parties relating to the interpretation or application of this Agreement shall be settled through diplomatic channels.

2. If the two Contracting Parties are unable to settle it within six (6) months from the date of the beginning of negotiations, it shall be submitted, at the request of one of the Contracting Parties, to an arbitration tribunal.

3. The arbitral tribunal referred to in paragraph 2. of this Article shall be constituted for each particular case in the following manner: each Contracting Party shall designate one arbitrator within three (3) months from the date of receipt of the request for arbitration and the two arbitrators shall designate, by common agreement, within two (2) months, a third arbitrator who shall be a national of a third State to be chairman.

4. If the Arbitral Tribunal is not constituted within the time limits referred to in the preceding paragraph, the two Contracting Parties may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary designations. If the President of the International Court of Justice is a national of one of the Contracting Parties or is prevented for any other reason from performing this task, the Vice-President of the International Court of Justice shall be requested to make the necessary appointments. If the Vice-President of the International Court of Justice is a national of one

of the Contracting Parties or is also prevented from carrying out the said task, the Member of the International Court of Justice succeeding him in the order of precedence who is not a national of one of the Contracting Parties shall be requested to make the necessary appointments.

5. The arbitral tribunal shall act in accordance with the provisions of this Agreement and with the recognized principles and rules of international law. The Arbitral Tribunal shall take its decisions by a majority of votes and such decisions shall be final and binding on both Contracting Parties. The Arbitral Tribunal shall determine its own procedural rules.

6. Each Contracting Party shall bear the costs of the arbitrator appointed by it, as well as the costs relating to his representation during the arbitration proceedings. The costs relating to the chairman and to the arbitration proceedings shall be borne equally by both Contracting Parties, unless the Arbitral Tribunal decides that one of the Contracting Parties shall bear a substantial part of the costs.

Article 9. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any investment dispute which may arise between a Contracting Party and an investor of the other Contracting Party shall, as far as possible, be settled amicably.

2. If the dispute is not settled within a period of six (6) months from the date of its submission by one of the parties to the dispute, it shall be submitted by the investor, at his choice :

- to the national judicial body of the Contracting Party, party to the dispute;

- to an ad hoc arbitral tribunal to be constituted in accordance with the arbitration rules of the United Nations Commission on International Trade Law;

- the International Centre for Settlement of Investment Disputes (ICSID), established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature in Washington on 18 March 1965.

The investor's choice of one of the three procedures referred to in this paragraph shall be final.

3. Neither Contracting Party, which is a party to the dispute, may at any time in the arbitral proceedings or in the enforcement of the arbitral award claim that the investor, which is the other party to the dispute, has received compensation covering all or part of the losses under the guarantee set out in Article 7 of this Agreement.

4. The arbitral tribunal shall decide on the basis of the national law of the Contracting Party, party to the dispute, in whose territory the investment has been made, including the rules on conflict of laws, the provisions of this Agreement and of any specific agreement relating to the investment, and in accordance with the principles of international law.

5. The decisions of the arbitral tribunal shall be final and binding on the parties to the dispute. Each Contracting Party undertakes to execute them in accordance with its national legislation.

Article 10. Application of other Provisions

1. If the national laws of the Contracting Parties or international conventions in force or to be established in the future between the Contracting Parties, in addition to this Agreement, contain provisions which accord to investments made by investors of the other Contracting Party treatment more favourable than that accorded by this Agreement, such laws and conventions shall prevail to the extent that they are more favourable to the investor than this Agreement.

2. Without prejudice to the provisions of this Agreement, investments which are covered by a specific commitment between one of the Contracting Parties and an investor of the other Contracting Party shall be governed by the provisions of that specific commitment if it contains provisions more favourable than those contained in this Agreement.

Article 11. Entry Into Force, Duration and Expiry of the Agreement

1. This Agreement shall apply to investments made by investors of one of the Contracting Parties in the territory of the other Contracting Party, in accordance with its laws and regulations, before and after its entry into force. However, this Agreement shall not apply to disputes arising prior to its entry into force.

2. This Agreement shall enter into force after both Contracting Parties have completed their internal legal procedures

required to that effect. It will remain in force for a period of ten (10) years, tacitly renewable for a similar period. Either Party may at any time notify the other Party, through diplomatic channels, of its decision to terminate this Agreement. In this case, the Agreement shall be terminated after the expiry of six (6) months from the date of such notification to the other Party.

3. With respect to investments made prior to the date of expiry of this Agreement, the provisions of the articles 1 to 10 will remain in force for another period of ten (10) years from that date.

In witness whereof, the undersigned, being duly authorized to this by their respective Governments, have signed the this Agreement.

Done at Algiers, 28 Dhou El Hidja 1428 corresponding to 6 January 2008, in two copies originals in Arabic.

For the Government of the People's Democratic Republic of Algeria

Abdelkader MESSAHEL

Minister Delegate in charge of Maghreb and African Affairs

For the Government of the Islamic Republic of Mauritania

Mohamed El Hafedh Ould Ismail

Minister Delegate in charge of the Arab Maghreb