

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO ON THE MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS**

The Government of the Hashemite Kingdom of Jordan and the Government of the kingdom of Morocco, hereinafter referred to as "the Contracting parties", desiring to develop the relations of economic cooperation existing between the two countries and to create favorable conditions for investors of one Contracting party in the territory of the other Contracting Party, Recognizing the need to protect investments of the two Contracting Parties and to stimulate the flow of capital and individual initiatives in business with view to the economic prosperity of both states.

Have agreed as follows:

## **Article 1. Definitions**

For the purpose of this agreement:

1- The term "Investment" means every kind of assets owned by an investor of a contracting party and invested in the territory of the other contracting party according to the laws and regulation applicable in both of them and more particularly:

A Movable and immovable property rights as well as any other rights in rem; such as mortgages, lines and pledges and guarantees.

B Shares, stocks and debentures and other kinds of interests in companies.

C Titles to money or to any performance having an economic value.

D Intellectual and industrial property rights, including rights with respect to copy rights patents, trademarks, trade names, industrial designs, trade secrets, technological processes, know-how and goodwill;

E Business concessions conferred by law or by virtue of a contract, including concessions to search for, develop, extract or exploit natural resources.

Any change in the invested fund form which has no effect on their classification as investments provided that such change shall not contradict with the legislations and laws of the contracting party which the investment established on it territory.

2- The term "returns" means amounts yielded by an investment and in particular, though not exclusively, includes profits, interests, dividends, capital gains, royalties and fees.

3- The term "Investor" means

A Any physical person holding nationality or permanent residency of Contracting Party according to the laws of that party;

B Or any company with legal personally or partnership firms, joint ventures, organization, association or enterprise established or incorporated under the laws of a Contracting Party.

4- The term "territory" means.

A In respect of The Hashemite Kingdom of Jordan: all territories of The Hashemite Kingdom of Jordan in which Jordan has authority is underneath the ground what surface in which it has sovereign rights and jurisdiction according to the international law.

B In respect of 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)

5- The term "transferable currency" means US' Dollar, Sterling Pound, Deutschmark (DM), French Franc, Japanese Yen, and any other currency in common use. For cash payments in international transactions and in circulation in main international exchange markets.

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

1- Each Contracting Party shall encourage and create favorable conditions for investments made in its territory by investors of the other Contracting party, and accepts such investment according to its laws and regulations.

2- The contracting party shall secure for the investments of investors from the other Contracting Party a fair equitable treatment and except for the necessary measures to maintain public security these investments enjoy complete and adequate protection and security and it is not allowed for any contracting party to hamper the management processing, exploiting or control of such investments through arbitrary or discriminatory arrangements.

## **Article 3.**

1. Each Contracting Party shall accord to the investments made in its territory by investors of the other Contracting Party a treatment not less favorable than which it accords in like situation to investments of investors of any third State.

2. Investors of one Contracting Party whose investments made in the territory of the other Contracting Party suffered losses owing to a war or other armed conflict, revolution a state of national emergency, revolt, insurrection, disturbances or other similar events, shall be accorded by the latter Contracting Party, as regard the measures taken to cover the losses a treatment not less favorable than that it accords to its investors or the investors of any third state whichever is more favorable. The amounts resulting shall be freely transferable.

3. The provisions of this agreement relating to the granting of the most favored nation treatment, shall not be construed so as to oblige one Contracting Party to extend to the investors or the other Contracting Party the advantages resulting from any economic or custom union currently exists or to be established in future, a free trade zone or regional economic organization, to which either of the Contracting party is or may become a Party. And that treatment shall not relate to any advantage granted by any of the two Contracting Parties to investors from third State according to a double taxation agreement or other agreements on reciprocal basis concerning taxation matters.

## **Article 4. Expropriation**

Any Contracting Party is not allowed to take expropriation or nationalization measures against the investments of any investor from the other Contracting party, unless the following conditions are fulfilled:

1- The measures are adopted for legal purpose and in accordance with due process of law.

2- The measures are not discriminatory.

3- These measures shall be accompanied with allocations for prompt and effective payment of compensation provided that the compensation shall be equal to the value of the investment prevailing in the market at the time of expropriation decision announcement and the compensation shall be transferable in freely convertible currency with the Contracting Party, and in the event that payment of compensation is delayed the investor shall receive interest at the prevailing market rate in business transactions at the date of compensation payment.

## **Article 5. Free Transfer**

1- Each Contracting party shall allow in accordance with its laws, regulations and national policies without undue delay the free transfer in any freely convertible currency:

A Net profits, dividends, returns, technical assistance, technical fees and interest and other current income resulted from the investments of the investors of the other Contracting Party.

B The proceeds accruing from total or partial sale or liquidation of an investment of the investors of the other Contracting Party.

C Funds allocated for settlement of debts and loans provided by investors of one Contracting Party to the investors of the other Contracting Party of what the two parties consider investment.

D Income and earnings of employees of either Contracting Party allowed working in connection of investment in the territory of the other Contracting Party.

2- The rates of exchange applied on transfers mentioned in paragraph (1) of this article are the same rates of exchange in force at the date of the transfer and in accordance with the rates of exchange determined by the International Monetary Fund (IMF) in case of several rates of exchange in the host country.

3- The Contracting Party which the investment are invested in its territories undertakes to accord the transfers mentioned in paragraph (1) of this article a treatment not less favorable than that which it accords to investors of any third party.

## **Article 6. Settlement of Dispute between the Investor and the Host State**

1- All disputes related to investments between any of the two contracting parties and an investor from the other contracting party shall be settled as far as possible by mutual consent of the two contracting parties.

2- If the dispute can not be settled by mutual consent of the two contracting parties within six months of the date by either party it may submitted by the investor request either to:

- Local judicial authorities of the host contracting party.

- The International Center for the Settlement of Investment Dispute according to procedure provided for in the convention on settlement of investment Disputes between States and Nationals of other states, opened for signature at Washington on 18 March 1965.

3- If a national of any of the two contracting parties chose to file a case with any of the two bodies mentioned in item "2" above it will be impossible for him to file the same with another body.

4- To settle the dispute, the national law of the contracting party in which the disputed investment exists, the provisions related to disputed laws and the provisions of this agreement and the texts of the special commitment according to which this investment may be granted as well as the International law principles concern shall apply.

5- The arbitration decisions are considered final and binding for the two parties of the dispute and each contracting party undertake to implement them according to his national law.

## **Article 7. Settlement of Dispute between the Contracting Parties**

1- Disputes as to interpretation or application of provisions of this agreement shall be settled by means of negotiations.

2- If such a dispute cannot thus be settled in accordance with item (1) above within six months after the commencement of the negotiations, it shall, upon the request of either Contracting Party, be submitted to a special arbitral tribunal.

3- The arbitral tribunal formed in particular in a manner that each Contracting Party shall appoint one arbitrator and these two arbitrators shall nominate a chairman who shall be a national of a third state. The two arbitrators to be appointed within 5 months maximum from the date of receiving the arbitration notification.

If within any of the periods specified the necessary appointments of the arbitral tribunal members have not been made, either Contracting Party may invite the president of the International Court of Justice to make any necessary appointments, unless he is a national of either Contracting Party or if he is otherwise prevented from discharging this function, the Vice-president of the International Court of Justice shall be invited to make the necessary appointments, if he is not a national of either Contracting Party.

4- The arbitral tribunal shall reach its decisions on the basis of law respect and the provisions of this Agreement as well as on the principle of International Law.

5- The arbitral tribunal shall determine its own procedures and its decisions shall be reached by majority of votes, and such decisions shall be final and binding.

6- Each Contracting Party shall bear the cost of the arbitrator it has appointed and of its representation. The cost of the Chairman and the remaining costs shall be borne equally by the Contracting Parties.

## **Article 8. Transfer of Rights**

Where one Contracting Party has granted any financial security for any of his investors in respect of an investment, then, the other Contracting party without prejudice to the rights of the first Contracting party mentioned in article (6), shall recognize the transfer of any rights or ownership of the first Contracting Party and for the first Contracting Party to substitute national or company in the right or the ownership.

## **Article 9. Application Scope on Investments**

This Agreement apply to investments invested or to be invested by investors from either Contracting party in the territory of the other Contracting party according to its legislations, laws and regulations prior to the effective date of this Agreement shall have no effect on disputes occurred prior to the date of its entry into force.

## **Article 10. Entry In Force, Duration and Termination**

- 1- This Agreement shall enter into force thirty days after the receipt of the later of notifications showing the completion of both parties the constitutional requirements required for the entry into force of this Agreement.
2. This agreement shall remain in force for ten years and shall be extended tacitly for further similar period unless terminated according to paragraph three of this article.
3. Each Contracting Party has the right to terminate this agreement at the end of its duration or at any time after the expiry of the initial ten years period by a written notice served to the other Contracting party one year prior to the intended termination date.
4. Concerning the investment established or obtained prior to the termination date of this agreement, all other articles of this agreement shall remain effective for ten years from the termination date.

In witness whereof the under signed, being duly authorized thereto by their respective Governments have signed this convention.

Done in two originals in Arabic, both texts being equally authentic, in Rabat on 16th June 1998.

For the Government of The Kingdom of morocco

Minister of Economy and Finance Fath Allah Wal'alow

For the Government of The Hashemite Kingdom of Jordan

Hani Al-Mulqi

Minster of Industry an Trade