

# **Agreement between the Government of the Socialist Republic of Romania and the Government of the Islamic Republic of Mauritania on the Promotion and Reciprocal Protection of Investments**

The Government of Romania and the Government of the Islamic Republic of Mauritania, hereinafter referred to as the "Contracting Parties",

Desiring to develop relations of economic cooperation existing between the two countries,

Concerned to create favorable conditions for investments to be made by investors of the Socialist Republic of Romania on the territory of the Islamic Republic of Mauritania and by investors from the Islamic Republic of Mauritania on the territory of the Socialist Republic of Romania,

Recognizing that the promotion and guarantee of investments under this agreement, stimulates the initiative in this area and contributes to increasing prosperity of both countries,

Have agreed as follows:

## **Article 1. Promoting and Guaranteeing Investments**

(1) Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party.

(2) Investments admitted under the law of the Contracting Party whose territory is carried out, enjoy protection and guarantees provided in this Agreement.

## **Article 2. Definitions**

For the purposes of this Agreement:

(1) Investment means the contribution of any kind to a company or economic activity and, particularly, but not exclusively:

- a) shares, parts, or any other participation in companies incorporated in the territory of a Contracting Party;
- b) reinvested benefits, claims to money or other rights relating to performance having a financial value;
- c) movable and immovable property and any other real rights such as mortgages, privileges, sureties and any other similar rights as are defined in accordance with the law of the Contracting Party in whose territory the property is situated respectively;
- d) industrial property rights, technical processes, know-how, trademarks, copyrights and other rights related to intangible;
- e) concessions conferred by law or under contract, especially concessions related to prospecting, exploration and exploitation of natural wealth, including maritime areas pertaining to the jurisdiction of either Contracting Party.

(2) Benefits are those amounts that come from an investment in the form of dividends, earnings quotas and other income.

(3) means investors:

- a) for the Socialist Republic of Romania, Romanian economic units having legal personality and which, according to the Romanian law, have the attributions of foreign trade and economic cooperation with the foreigner;
- b) for the Islamic Republic of Mauritania, any natural person of Mauritanian nationality and any legal person constituted in accordance with Mauritanian law and having its head office in Mauritania.

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

(1) Each Contracting Party shall accord in its territory, investments and investors of the other Contracting Party treatment no less favorable than that accorded to investments and investors of any third state.

(2) The provisions of this Agreement relating to most-favored-nation treatment, shall not apply to advantages that either Contracting Party shall provide them to investors of any third state, based on its participation in an international organization of regional or subregional cooperation.

(3) The provisions of this agreement regarding the treatment of the most favored nation shall not be interpreted in such a way as to oblige one of the contracting parties to grant to the investors of the other contracting party advantages arising from an international agreement or arrangement relating, in whole or in principle, to taxation. or from any internal legislation relating, in whole or in part, to taxation.

(4) Each Contracting Party shall comply with any other obligations it has assumed regarding investments made in the territory or by investors of the other Contracting Party.

### **Article 4. Expropriation and Compensation**

(1) Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall not be expropriated or subjected to other measures having a similar effect only if the following conditions are met:

a) measures are not discriminatory;

b) the measures are taken in the public interest and in accordance with national legislation;

c) an adequate procedure is provided for establishing the amount and the method of payment of the compensation. The compensation will have to correspond to the value of the investment at the date of expropriation, to be effectively achievable, freely transferable and paid without delay.

At the request of the interested party, the amount of compensation may be revised by a court or other competent body in the country where the investment was made.

(2) If a dispute between an investor and the contracting party in whose territory the investment was made, regarding the amount of the compensation, will continue to exist after the final decision of the court or other competent body of the country in which the investment was made, any of them is entitled to submit the dispute, within 2 months from the exhaustion of the internal remedies or from the expiration of the term provided in the next paragraph, to the International Center for the Dispute Settlement relative to Investments, for conciliation or arbitration, according to the procedure provided in the Convention opened for signing at Washington on March 18, 1965.

(3) However, the condition relating to the exhaustion of domestic remedies provided by the law of the Contracting Party in whose territory the investment has been made will not be the opposite of that Contracting Party investors of the other Contracting Party after a period of 6 months from the date of first act of contentious proceedings to resolve the dispute out of court.

(4) Investors of one Contracting Party whose investments have suffered losses in the territory of the other Contracting Party as a result of war or other armed conflict or national emergency, will receive from the latter the compensation required, which must cover losses.

### **Article 5. Repatriation of Capital and Profits**

(1) Each Contracting Party shall guarantee in connection with investments by investors of the other Contracting Party the transfer:

a) the product of invested capital or liquidation or total or partial liquidation of the investment;

b) profits made and other current income from investments;

c) Payments made for repayment of loans for investments and the interest due;

d) the compensation amounts set out in Art. 4;

e) earnings of citizens who have permission to work in an investment made in the territory of the other Contracting Party.

(2) Such transfers shall be made in accordance with regulations in force in each country instead.

(3) Each Contracting Party shall accord, after fulfilling legal obligations incumbent upon investors to provide the necessary permits without delay execution of transfers mentioned in paragraph 1 of this Article.

## **Article 6. Subrogation**

If one of the contracting parties, by virtue of a guarantee given for an investment made in the territory of the other contracting party, makes payments to its own investors, it is subrogated in the rights, obligations and actions of the said investors. The subrogation in the rights and obligations of the insured investor also extends to the transfer right mentioned in art. 4 and 5 above. The paying contracting party will not be able to acquire rights or assume obligations greater than those of the insured investor.

## **Article 7. Currency Transfers**

(1) Currency transfers according to art. 4, 5 and 6 will be carried out without delay, in convertible currency in which the investment was made or in any other freely convertible currency, if so agreed, at the exchange rate in force at the date of transfer.

(2) Without delay, within the meaning of paragraph 1, are considered the transfers that are made within a period that is normally required for the preparation of the transfer formalities. The term runs from the day on which it was submitted to the competent authorities, in the proper way, the application together with the necessary documents and must not, in any case, exceed a period of 2 months.

## **Article 8. Existing Investments**

Existing investments by investors of either Contracting Party have carried on the territory of the other Contracting Party before the entry into force of this agreement are also subject to the provisions of this Agreement. However, these provisions do not apply retroactively to activities carried out before the entry into force of this Agreement.

## **Article 9. Disputes between the Contracting Parties**

(1) Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall be settled, if possible, through negotiations between the two sides. If such a dispute can not be settled within a period of 6 months from the start of negotiations, then, at the request of either Contracting Party, the dispute shall be submitted to an arbitral tribunal.

(2) The arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one arbitrator; the two arbitrators propose, by mutual agreement of both parties, a president who shall be a citizen of a third country designated by the two Contracting Parties. The arbitrators shall be appointed within a period of three months and the president within a period of five months after one party has informed the other that wants to submit the dispute to an arbitral tribunal. If arbitrators shall be appointed within the agreed period, the Contracting Party has not appointed an arbitrator agrees that it be called the Secretary General of the United Nations. If both Contracting Parties can not agree upon the appointment of the president, they are also agreed that it be called the Secretary General of the United Nations.

(3) The arbitral tribunal shall adopt its decisions on the basis of this Agreement and other similar agreements signed by the contracting parties and by the general principles and norms of international law.

The Arbitral Tribunal adopts its decisions by majority vote and its decision is final and binding. Only two Contracting Parties may make the action and participate in the proceedings of the arbitral tribunal.

(4) Each Contracting Party shall bear the expenses of the arbitrator it has appointed, and those made by its representatives to debate the tribunal. The expenses of the Chairman and other costs shall be borne in equal parts by the Contracting Parties.

(5) The arbitral tribunal determines its own procedure.

## **Article 10. Entry Into Force, Validity and Expiry**

(1) This Agreement is subject to ratification according to constitutional procedure of each country, and will come into force on the date of exchange of instruments of ratification.

(2) The Agreement is concluded for a period of 10 years and will be tacitly renewed for additional periods of 10 years unless denunciation in writing by one party, one year before the expiration of each period of validity.

(3) For investments made until the expiration date of the Agreement, the provisions of that remain applicable for 10 years, starting from its expiration date.

Signed on 14 March 1988 in Nouakchott, in two originals, each in Romanian and French languages, both texts being equally authentic.