Agreement between the Government of the Kingdom of Morocco and the Government of the Central African Republic concerning the Encouragement and Reciprocal Protection of Investments

The Government of the Kingdom of Morocco and the Government of the Central African Republic hereinafter referred to as the "Contracting Parties";

- Desiring to promote economic cooperation relations between the two countries;

- Whereas the reciprocal promotion and protection of investments are likely to stimulate private economic initiative and increase the prosperity of both countries;

- Determined to create the conditions to encourage the development of investments of each Contracting Party in the territory of the other Contracting Party;

HAVE AGREED AS FOLLOWS

Article 1. Definitions

For the purposes of this Agreement

1. The term "investment" means all kinds of assets invested by investors of a Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter. It includes, but is not limited to:

(a) movable and immovable property as well as all other real rights such as mortgages, liens, usufructs, bonds, and similar rights;

b) shares, securities, units and bonds of companies, as well as all other forms of participation in said companies;

c) loans and receivables and all other rights to performance with economic value;

d) intellectual and industrial property rights, in particular copyrights, patents, industrial designs, trademarks and registered names, commercial rights and goodwill

e) concessions granted by law or by virtue of a contract, in particular concessions relating to the exploration, extraction or exploitation of natural resources.

No change in the legal form in which the knowledge and capital have been invested or reinvested shall affect their character as investments within the meaning of this Agreement.

2. The term "investor" means :

(a) any natural person having Moroccan or Central African nationality under the legislation of the Kingdom of Morocco or the Central African Republic respectively and making an investment in the territory of the other Contracting Party.

b) any legal entity having its registered office in the territories of the Kingdom of Morocco or the Central African Republic and constituted in accordance with the laws of Morocco or the Central African Republic respectively and making an investment in the territories of the other Contracting Party.

3. The term "income" means amounts derived from an investment, including but not limited to profits, interest, dividends and royalties.

4. The term "territory" means :

(a) for the Kingdom of Morocco: the territory of the Kingdom of Morocco including any maritime area beyond the territorial

waters of the Kingdom of Morocco which has been or may hereafter be designated by the legislation of the Kingdom of Morocco, in accordance with international law, as an area within which the rights of the Kingdom of Morocco with respect to the seabed and subsoil and to natural resources may be exercised;

(b) for the Central African Republic the territories of the Central African Republic.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall promote investments in its territory by investors of the other Contracting Party and admits such investments in accordance with its laws and regulations.

The extension, modification, or conversion of an investment made in accordance with the laws and regulations of the Contracting Party in whose territory the investment is located, shall be treated as a new investment.

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

Each Contracting Party undertakes to ensure that the management, maintenance, use, enjoyment or disposal within its territory of the Investments of the other Contracting Party are not barriers by unjustified or discriminatory measures.

Investment income, in case of reinvestment in accordance with the laws and regulations of the Contracting Party in whose territory the investment is located, shall enjoy the same protection as the original investment.

Article 3. National Treatment and Most-Favoured Nation Clause

1. The investments made by investors of one Contracting Party in the territory of the other Contracting Party, shall be accorded by the latter of which is fair and equitable treatment no less favourable than that which accordo to investments of its own to investors or investments of investors of any third State.

2. Each Contracting Party accords within its territory to investors of the other Contracting Party, in respect of activities related to their investments, a treatment no less favourable than that it accords to its own investors to investors or of any third State.

3. The most-favoured-nation treatment does not extend to the privileges, advantages, or preferences that Contracting Party accords to investors of a third State by virtue of its association or participation in a free trade area, customs union or common market, economic or any other form of economic regional organization or similar international agreement or any agreement for the avoidance of double taxation in fiscal matters, or any other arrangement relating to taxation.

Article 4. Expropriation and Compensation

1. Investments made by investors of another Contracting Party in the territory of the other Contracting Party shall not be expropriated or nationalized, subject to measures having an effect equivalent to expropriation (hereinafter "expropriation") except for reasons of public interest and in accordance with due process, on a non-discriminatory basis and against a prompt, effective and adequate compensation.

2. The amount of compensation shall correspond to the fair market value of the expropriated investment immediately before the expropriation measures are taken or made public, whichever is earlier.

3. The compensation shall be paid without delay. In the event of late payment, it will bear interest at a normal commercial rate until the date of payment and shall be freely transferable.

Article 5. Compensation for Losses

The investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, state of national emergency, revolt, insurrection or riot, shall be accorded by the latter Contracting Party treatment no less favourable than that accords to its own investors, or to investors of any third State as regards restitution, indemnification, compensation or any other settlement.

Article 6. Transfers

1. Each Contracting Party shall guarantee to investors of the other Contracting Party, after the fulfilment of tax obligations,

the free transfer of payments relating to their investments. The transfers shall be made in a freely convertible currency, without undue delay and shall include in particular though not exclusively:

a) Capital and / or any amounts intended to maintain or increase the investment;

b) Profits, dividends, interests and other current income;

c) The necessary funds in repayment of marked relating to investments;

d) The proceeds of the sale or liquidation of investments;

e) The compensations payable pursuant to articles 4 and 5;

f) Wages and other remuneration accruing to nationals of one Contracting Party who have been authorised to work in the territory of the other Contracting Party in connection with an investment.

2. The transfers referred to in paragraph 1 shall be made at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force.

Article 7. Subrogation

1. If under a legal or contractual guarantee covering non-commercial investment risks, compensation is paid to an investor of either Contracting Party, the other Contracting Party shall recognize the subrogation into the insurer of the rights of the investor indemnified.

2. In accordance with the guarantee given for the investment concerned, the insurer is entitled to assert all the rights that he could have exercised had the insurer not been subrogated to it.

3. Any dispute between one Contracting Party and the insurer to an investment of the other Contracting Party shall be settled in accordance with the provisions of article 8 of this Agreement.

Article 8. Settlement of Investment Disputes

1. Any investment dispute between a Contracting Party and an investor of the other Contracting Party shall as far as possible, be settled amicably through consultations or negotiations between the parties to the dispute.

2. If the dispute cannot be settled within six (6) months from the date of the written notification by either party to the dispute shall be submitted, at the request of the investor:

a) either to national jurisdiction of the Contracting Party involved in the dispute;

b) or to international arbitration under the conditions described in the paragraph below.

3. In case of application of international arbitration, the dispute may be submitted to one of the arbitral tribunals referred to below, at the choice of the investor;

a) The International Centre for the Settlement of Investment Disputes (ICSID), established by the "Convention on the Settlement of Investment Disputes between States and Nationals of Other States" opened for signature at Washington, on 18 March 1965.

b) An ad hoc arbitration tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

To this end, each Contracting Party gives its consent irrevocable that any investment dispute may be submitted to the arbitration procedure.

4. Neither of the Contracting Parties, party to the dispute, can raise an objection, at any phase of the arbitration proceedings or of the execution of an arbitral award, on account of the fact that the investor, opposing party in the dispute, has received a compensation covering the whole or part of its losses by virtue of an insurance policy.

5. The arbitral tribunal shall decide on the basis of the provisions of this Agreement, the national law of the Contracting Party Party to the dispute, including the rules relating to conflicts of law, of the terms of the specific agreements which may be concluded between one Contracting Party and the investor concerning an investment, as well as the principles of international law in this field.

6. Arbitral awards shall be final and binding upon the parties to the dispute. Each Contracting Party shall execute them in accordance with its national law.

Article 9. Settlement of Disputes between the Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or the applioation of this Agreement shall be settled, to the extent possible, through diplomatic channels.

2. If a dispute cannot be settled through diplomatic channels within six (6) months after the beginning of negotiations, shall be submitted, at the request of one of the Contracting Parties to an arbitral tribunal.

3. The arbitral tribunal shall be constituted ad hoc as follows: each Contracting Party appoints an arbitrator and the two arbitrators shall select a national of a third State as Chairman of the arbitral tribunal. The arbitrators shall be appointed within three (3) months and the Chairman within five months from the date of receipt of the notice of arbitration.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of one or the other Contracting Party or if he is unable for any reason to carry out this function, the Vice-President shall be invited to make the necessary appointments.

If the Vice-President is a national of either of the Contracting Parties or cannot discharge the function, the member of the International Court of Justice that follows in the order of seniority who is not a national of one or the other Contracting Party shall be invited to make the necessary appointments.

5. The arbitral tribunal shall decide on the basis of the provisions of this Agreement and the international rules and principles of International Law. It shall take its decisions by a majority of votes. The decision shall be final and binding on the Contracting Parties.

6. The tribunal shall determine its own procedure.

7. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitration proceedings. The costs related to the Chair and any remaining costs shall be borne in equal parts by the Contracting Parties.

Article 10. Consultations

The Contracting Parties may, if necessary, holds consultations regarding the implementation of this Agreement. The consultations shall be held on the proposal of either of the Contracting Parties and a place at a time agreed upon through diplomatic channels.

Article 11. Implementation

This Agreement shall apply to all investments made before or after its entry into force by investors of one Contracting Party in the territory of the other Contracting Party, in accordance with the laws and regulations of the latter. However, this Agreement shall not apply to disputes that may arise before its entry into force.

Article 12. Additional Obligations

Where a matter relating to investments is governed both by this Agreement and by the national legislation of one of the Contracting Parties or by existing or future international conventions of the Parties, investors of the other Contracting Party may avail themselves of the provisions which are more favorable to them.

Article 13. Entry Into Force and Expiry of Validity

1. This Agreement shall enter into force thirty (30) days from the date of receipt of the last of the two written notifications relating to the completion by the two Contracting Parties of the constitutional procedures required for this purpose in their respective countries.

It shall remain in force for a period of ten (10) years and shall be tacitly renewed each folio for the same period, unless one of the Contracting Parties denounces it by written notification at least six (6) months prior to the expiration of the current period of validity.

2. Investments made prior to the date of termination of this Agreement shall continue to apply for a period of ten (10) years from the date of its termination.

In WITNESS WHEREOF the undersigned representatives, duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Rabat on 26 September 2006 each in two originals in the Arabic and French languages, both texts being equally authentic.

For the Government of the Kingdom of Morocco

Taib FASSI FIHRI.

Minister Delegate for Foreign Affairs and Cooperation

For the Government of the Central African Republic

Sylvain MALIKO

Minister of the Economy, Planning and International Cooperation