Agreement between the Government of the Kingdom of Morocco and the Government of United Arab Emirates on the Promotion and Protection of Investment

Part Preamble

The government of the Kingdom of Morocco and the Government of United Arab Emirates, hereinafter referred to as the Contracting Parties,

Desiring to create favourable conditions for the development of economic cooperation between them and deepening it for the interest of the two countries and in particular through investments of investors of one country in the territory of the other country;

Recognizing the importance of the exchange of promotion and protection of investment and the extent of contribution that promote the flow of capital and private initiatives to increase the economic prosperity in both countries;

They have agreed on the following:

Article 1. Definitions

For the purpose this agreement:

1. The term "investment" means: all types of assets owned by investor of one Contracting Party investing in the other contracting party territory in accordance with the prevailed laws and regulations in each, including, in particular, and not limited to:

a. Movable and immovable property and any other property rights such as mortgages and other mortgage liens and rights, debt securities, usufruct and similar rights.

b. Shares, stocks and corporate bonds, and any other form of contributions to the company, and the proceeds reserved for the purpose of re-investment.

c. Claims to money or any contractual rights with a financial value.

d. Industrial and intellectual property rights, including copyrights, patents, marks, industrial designs, trademarks and technical knowledge, and any other similar rights.

e. Franchising rights granted by law or under contract, including concessions to search, extraction or exploitation of natural resources.

Any change in the form of investment assets does not affect their character as investments.

2. "Investor" means:

a. Every natural person who holds Moroccan or United Arab Emirates nationality in accordance with applicable law in each of the contracting parties.

b. Every legal Public or Private person established according to the law in force in each of the contracting parties and is based in the territory of the contracting party.

c. Each legal entity established under the law of a third country and is subject directly or indirectly, to the control of one of the contracting parties or to a legal entity based and practicing its actual economic activities in the territory of this Contracting Party.

So when one of the above-mentioned invests in the territory of the other Contracting Party.

3. "Revenues": means the net amounts resulted from any investment including in particular: profits, interest, capital gains, dividends, fees and royalty fees.

4. "Territory": means:

a. For the Kingdom of Morocco: the land of the Kingdom of Morocco and the territorial sea, along the sea and depths underground water adjacent to the shores of Morocco located beyond the territorial waters and exclusive economic zone, in which Morocco practiced its sovereign rights in accordance with the domestic law and international law, aiming to explore and exploit its natural resources (the Continental Shelf).

b. For the State of United Arab Emirates: When used in a geographical sense, the territory means the State of United Arab Emirates including the territorial waters, islands, exclusive economic zone, continental shelf and airspace, it also includes natural resources over which the United Arab Emirates rights of sovereignty in accordance with their national legislations and in accordance with the provisions of international law.

5. The term "freely used currency" the United States dollar, the sterling pound, the German mark, the French franc, the Swiss franc, the Japanese yen, or any free currency used on a large scale for the purpose of payments for international transactions, or currencies that have present buyers in the major currency markets.

Article 2. Investment Promotion and Protection

1. Each Contracting Party shall accept and encourage in its territory in accordance with its laws and regulations the investments of investors of the other contracting party and create favourable conditions for these investments.

2. Each Contracting Party shall insure fair and equitable treatment for investments of investors of the other contracting party, and provide full protection and security for them, any Contracting Party shall not take any discriminatory measures that hamper the management, maintenance , use, or dispose of the investments of investors of the other contracting party built on its territory, each of the contracting parties shall insure the respect the commitments it has undertaken related to investments of investors of the other contracting party.

3. The investments that are subject to the requirements of a special agreement between one Contracting Party and investors of the other contracting party is subject to the provisions of that agreement as long as it provides conditions more favourable than the provisions of this Agreement.

Investment returns in case of re-invested in accordance with the laws of one of the Contracting Parties shall enjoy the same protection as the original investment.

Article 3. Treatment of Investments

1. Each Contracting Party shall provide in its territory for investments of investors of the other Contracting Party a treatment not less favourable than that accorded to investments of its own investors or to investments of investors of any third state.

2. Each Contracting Party shall provide in its territory to the investors of the other contracting party with respect to the management, maintenance, use, utilization or disposal of their investments a treatment not less favourable than that accorded to its own investors or investors of a third country.

3. Each Contracting Party shall provide the necessary permits and facilities for entry, exit, residence, work to the investor, and to those who relate to their business investments permanently or temporarily such as experts, managers, technicians and workers, in accordance with the legislation and the laws of the host country.

4. Each Contracting State shall endeavour to the maximum extent possible to avoid the achievement requirements as a condition for the establishment, expansion of investment or maintenance requirements, which requires an implementation commitment of exporting the of goods produced or those imposing in particular purchasing goods and services locally or those imposing any other similar requirements.

5. The provisions of this Agreement relating to the most favourable treatment accorded to investors of any Contracting Party or a third country does not oblige one Contracting Party to grant investors of the other contracting party any treatment of benefits or privileges resulting from the following:

a. Any economic or customs union or a free trade area or a common market or any similar international agreement or any form of regional economic organizations that one Contracting Party is a member of or may join in the future.

b. Any agreement or any international arrangement or domestic regulation related to the tax system wholly or mainly.

c. Any aid from the government allocated to its investors in the framework of the activities of national development programs.

6. Notwithstanding the provisions of paragraph 4 of this article, any advantages or preferential treatment arising from the League of Arab states agreements should be offered.

Article 4. Expropriation and Compensation

1. Investments of any Contracting States or their natural or legal persons are not subject to expropriation, nationalization or freezing or judiciary receivership or confiscation or any similar measures except in the cases stated for in the law of the host country. Such measures should not be discriminatory or unjustified by reasons not for the public interest.

2. The Contracting Party who expropriate shall offer the rights holder a fair and equitable compensation which amount is equal to the market value of the investment on the day before the day when the measure was taken or announced to the public.

3. The mentioned amount of compensation must be determined and made able to perform and paid without delay, no later than three months from the date of implementation of the aforementioned measures. In the case of a delay in the performance a compensation interest is calculated at the market price starting from the date of maturity until the date of the performance, the compensation is paid to investors in convertible currency and freely transferred.

Article 5. Compensation of Losses

The investors of one Contracting Party whose investments have suffered losses as a result of war, armed conflict, revolution, state of national emergency, uprising disorder or other similar events in the other contracting party territory shall be benefiting by the latter a treatment not less favourable than that accorded to its own investors or to investors of any third state. The most-favoured treatment is applied in terms of call-backs, compensation, bonuses or any other adjustments related to those losses.

Article 6. Transfers

1 Each Contracting Party shall ensure to investors of the other Contracting Party free transfer of the following, for example but not limited to:

a. Invested capital, including reinvested returns or any additional amount aiming at investment maintenance.

b. The net profits, dividends, interest, royalties or any other ongoing returns.

c. The amounts required to repay the loans related to investment.

d. Proceeds from the sale or liquidation of total or partial investment.

e. Compensation payable pursuant to Articles 4 and 5.

f. Wages, salaries and other rewards that go back to the citizens of one of the contracting parties who are authorized to work in the territory of the other contracting party, according to exchange regulations in force in each Contracting Party.

2. Transfers referred to in paragraph 1 shall be done without delay and in a convertible currency, in the exchange rate in effect on the date of transfer and in accordance with the banking systems prevailing in the host country.

Article 7. Subrogation for the Investor

1. If a compensation was paid to an investor of one Contracting Party under a legal or contractual guarantee covering non-commercial risks for investment in the territory of the other Contracting Party, the latter admits for the insurer investor the subrogation for the investor in all the rights and entitlements that were compensated.

2. Based on the guarantee offered to the concerned investment, the insurer may exercise all the rights that were exercised by the investor if the insurer did not replace him.

3. Notwithstanding the provisions of the preceding paragraphs of this article, the subrogation for the investor shall be after the prior consent of the State concerned and only for the payments made after the entry into force of this Agreement.

4. Any dispute between the contracting parties and the insurer of the invest of the other Contracting Party, is settled in accordance with the provisions of Article 8 of this Agreement.

Article 8. Settlement of Investment Disputes

1. Any dispute relating to investments arising between a Contracting Party and an investor of the other Contracting Party, as far as possible shall be settled by mutual consent through consultations and negotiations between the parties of dispute.

2. If the dispute cannot be settled by mutual consent in a period of six months starting from the date of written notification, the dispute is presented by the investors choice to:

a. A competent court of the Contracting Party that the investment is in its territory.

b. To arbitration in accordance with the provisions of the chapter of disputes settlement of the Unified Agreement for the Investment of Arab Capitals in the Arab countries for the year 1980.

c. To arbitration at the International Centre for the Settlement of Investment Disputes, which was established under the Convention on the settlement of investment disputes between states and nationals of other countries open for signature in Washington on March 18, 1965.

This choice is considered final and binding to the investor.

3. No Contracting Party, that is a party to the dispute may raise an objection at any stage of the arbitration proceedings or execution of an arbitral award on the grounds that the investor of the other party in the dispute has received compensation that covers totally or partially its losses under an insurance.

4. The arbitration tribunal shall take its decisions on the basis of the national law of the Contracting Party that is a party to the dispute that investment is in its own territory, as well as the principles of international law and rules relating to conflict of laws, and the provisions of this agreement and special agreements that have been concluded on investment.

5. The arbitration decisions are considered final and binding on the parties to the dispute, each Contracting Party shall be committed to implementation in accordance with its national law.

Article 9. Disputes Settlement between the Contracting Parties

1. As much as possible disputes arising between the contracting parties regarding the interpretation or application of this Agreement to be settled through diplomatic channels.

2. If it is not possible to resolve this dispute in a period of six months from the start of negotiations it is presented to an arbitration tribunal at the request of any Contracting Party.

3. The arbitration tribunal is constituted in the following form:

Each Contracting Party shall appoint an arbitrator and the two arbitrators shall choose together a third arbitrator from the national of other country which had diplomatic relation with both contracting parties as a president of the arbitration tribunal, the two arbitrators should been appointed within three months and the appointment of the president within five months starting from the date of one of the Contracting Parties notify the other party of its intention to submit the dispute to an arbitration tribunal.

4. If the deadlines specified in paragraph 3 of this article were not respected, one of the Contracting Parties may invite the President of the International Court of Justice to make the necessary appointments.

If the President of the International Court of Justice holds the nationality of one of the contracting parties, or if he is unable to exercise this task, the vice president is invited to make the necessary appointments, and if the Vice President has the nationality of one of the contracting parties, or if he is unable to exercise this task, the most seniority member in the international Court of Justice, which does not belong to nationals of any of the Contracting Parties is asked to do the mentioned appointments.

5. The arbitral tribunal decisions shall be based on the provisions of this Agreement and the rules and principles of international law, the decisions are taken by majority voting, and shall be final and binding on the contracting parties.

6. The arbitration tribunal determined its special rules of performance, the place of arbitration unless if agreed otherwise between the contracting parties.

7. Each Contracting Party shall bear its member expenses as well as the representation expenses in the arbitration process. The President expenses and other expenses should be divided equally between the two contracting parties.

Article 10. Application

Investments completed before and after this Agreement enters into force by investors of one Contracting Party in the territory of the other contracting party, shall benefit from the provisions of this Agreement in accordance with the laws and regulations of the latter.

Article 11. Entry Into Force and Duration

1. This agreement is displayed to ratification and enter into force thirty days from the date of receipt of the last written notifications that the two contracting parties completed the constitutional procedures prevailing in both countries.

2. This Agreement shall remain in force for a period of ten years, automatically renewable for similar periods, and any of the contracting parties may terminate the Agreement at the end of the first ten years or the end of any extension period by notifying the other Contracting Party in writing of its intention to end performing under the provisions of this Agreement, six months before the end of the period.

3. Investments executed according to the provisions of this Agreement shall be subject to it for another ten years from the expiration date.

Done in Dubai on February 3, 1999 in two originals in Arabic.

For the Government of the Kingdom of Morocco

For the Government of the United Arab Emirates