

# **"Agreement between the Government of the Russian Federation and the Government of the Kingdom of Morocco on the promotion and mutual protection of capital investments"**

**(Concluded in Moscow on March 15, 2016)**

The Government of the Russian Federation and the Government of the Kingdom of Morocco, hereinafter referred to as the Contracting Parties,

Wishing to intensify economic cooperation for the mutual benefit of the States of both Contracting Parties,

Intending to create and maintain favorable conditions for investments made by investors of the State of one Contracting Party in the territory of the State of the other Contracting Party,

Recognizing that the promotion and mutual protection of investments based on this Agreement will stimulate business activity and improve welfare in the States of both Contracting Parties, Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. "Investments" means any kinds of property values,

Investments of the State of one Contracting Party in the territory of the State of the other Contracting Party in accordance with the laws and regulations of the State of the latter Contracting Party and include in particular but not exclusively:

A) movable and immovable property, as well as any property rights, such as mortgage, surety and bail;

B) shares, deposits and any other forms of participation in the capital of enterprises;

C) the rights of claim for funds or the right to any other performance

Obligations of economic value;

D) rights to intellectual property, including copyrights, patents, trademarks, trade names, industrial designs, technologies, know-how;

(E) The right to conduct economic and commercial activities provided on the basis of laws and regulations or a contract concluded in accordance with the laws and regulations of the State of the Contracting Party in whose territory the investment was made, including the rights to explore, develop, Exploitation of natural resources.

No change in the legal form in which property values were invested or reinvested does not affect their qualifications as investments in accordance with this Agreement, unless such change is inconsistent with the laws and regulations of the state

The Contracting Party in whose territory the investment

Implemented.

2. "Investor" means, in relation to the State of each Contracting Party:

A) any natural person who is a citizen of the State of that Contracting Party in accordance with its laws and regulations and investing in the territory of the State of the other Contracting Party in accordance with the laws and regulations of the State of the latter Contracting Party;

B) Any legal person established in accordance with the laws and regulations of the State of that Contracting Party and investing in the territory of the State of the other Contracting Party in accordance with the laws and regulations of the State of the latter Contracting Party.

3. "Income" means the funds received from investments and in particular, but not exclusively profit, dividends, interest, licensing and other fees.

4. "Territory of the State of a Contracting Party" means:

(A) With respect to the Russian Federation: the territory of the Russian Federation, as well as its exclusive economic zone and continental shelf, defined in accordance with the United Nations Convention on the Law of the Sea of 10 December 1982;

(B) With respect to the Kingdom of Morocco: the territory of the Kingdom of Morocco, including any maritime zone located outside the territorial waters of the Kingdom of Morocco, determined or which may be determined in the future by the laws of the Kingdom of Morocco in accordance with international law as an area within which the Kingdom of Morocco can exercise Rights in respect of the seabed, subsoil and natural resources.

5. "Laws and regulations of the State of a Contracting Party" means laws and regulations of the Russian Federation or laws and regulations of the Kingdom of Morocco.

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

1. Each Contracting Party in the territory of its State shall encourage investments of investors of the State of the other Contracting Party and allow such investments in accordance with the laws and regulations of its State.

Any expansion or modification of investments made in accordance with the laws and regulations of the State of the Contracting Party in whose territory the investments

Implemented, is considered as a new investment.

2. Investments made by investors of the State of one Contracting Party in the territory of the State of the other Contracting Party shall be granted full protection and security.

3. Income from investments by an investor of a State of one Contracting Party in the event of their reinvestment in accordance with the laws and regulations of the State of the other Contracting Party in whose territory the investment is made shall enjoy the same protection as the initial investment of such an investor.

## **Article 3. Investment Regime**

1. Each Contracting Party shall, in the territory of its State, make investments that are made by investors of the other Contracting Party, a treatment no less favorable than that which it provides under the same conditions to the investments of its own investors or investments of investors of any third state, whichever The regime is, according to the investor, more favorable.

2. Each Contracting Party shall provide in the territory of its State to investors of the State of the other Contracting Party with respect to the possession, use and disposition of their investments, a treatment no less favorable than that which it accords under the same conditions to its own investors or investors of any third state, From what the regime is, according to the investor, more favorable.

3. Each Contracting Party reserves the right to apply, in accordance with the laws and regulations of its State, exemptions from the national treatment accorded to investors of the State of the other Contracting Party and their investments, as well as reinvested investments in accordance with paragraphs 1 and 2 of this article, with Provided that such exemptions are applied on a non-discriminatory basis in comparison with the treatment accorded to investors of any third state and their capital As well as reinvested investments, and that such exemptions are not arbitrary and unjustified in respect of investors of the State of the other Contracting Party or their investments, including those reinvested.

4. The most-favored-nation treatment referred to in paragraphs 1 and 2 of this article does not cover the advantages that any Contracting Party grants or will provide in the future to investors' investments of any third state or investors of any third state:

- In connection with their participation or associate membership in the free zone trade, economic or customs union, common market or any similar economic integration organizations or unions;

- On the basis of any international agreement on avoidance of double taxation or any other agreement on taxation matters.

5. Without prejudice to the provisions of Articles 1, 2, 4, 5 and 9 of this Agreement, the Contracting Parties are not required under this Agreement to grant a regime more favorable than the treatment accorded by each Contracting Party in accordance with the Agreement Establishing the World Trade Organization (WTO) of 15 April 1994, including obligations under the General Agreement on Trade in Services (GATS), and in accordance with any other multilateral arrangement relating to the investment regime, which both Contracting Parties are party of.

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

1. Any measure of nationalization, expropriation or any other measure having a similar effect (hereinafter referred to as expropriation) that can be carried out by one Contracting Party in respect of investments made by investors of the State of the other Contracting Party shall not be discriminatory and should be carried out exclusively in the public interest in accordance with the procedure established by laws and regulations of the State of the first Contracting Party, and be accompanied by Payment of timely, adequate and effective compensation.

2. The compensation referred to in paragraph 1 of this article shall be in accordance with

Fair market value of expropriated investments,

Calculated on a date immediately preceding the date of expropriation, or on a date immediately preceding the date when it became generally known about expropriation, whichever occurred earlier.

3. The compensation referred to in paragraph 1 of this article shall be paid without undue delay. In case of delay of its payment, the interest calculated at the market rate is calculated for the amount of compensation. Compensation must be effectively paid and freely transferred in accordance with Article 6 of this Agreement.

## **Article 5. Compensation for Damage**

Investors of the State of one Contracting Party whose investment causes damage or loss as a result of war or other armed conflict, revolution, state of emergency, coup, rebellion or other such circumstance in the territory of the State of the other Contracting Party shall be granted by the latter Contracting Party in respect of restitution, Or other types of settlement with respect to such damage and losses, a regime no less favorable than that which ednyaya Contracting Party shall accord to investors of their state or to investors of any third state.

## **Article 6. Transfer of Payments**

1. Each Contracting Party shall guarantee to investors of the State of the other Contracting Party after the performance by them of all tax obligations the unimpeded transfer abroad of payments in connection with their investments and in particular but not exclusively:

A) capital or additional funds intended to maintain or increase investment;

B) income determined in accordance with Article 1 of this Agreement;

C) the funds necessary to repay loans related to

Capital investments, including interest on such loans;

D) funds received in connection with the full or partial liquidation of capital investments;

E) compensation paid in accordance with Article 4 of this Agreement, as well as reimbursement or other type of settlement paid in accordance with Article 5 of this Agreement;

Wage and other remuneration received by citizens of the state of the other Contracting Party who, in accordance with laws and regulations, the states of the first Contracting Party are allowed to work on its territory in connection with investments;

§ payments resulting from the settlement of disputes in accordance with Article 9 of this Agreement.

2. The transfer of payments referred to in paragraph 1 of this Article shall be effected without undue delay in freely convertible currency at the market exchange rate applicable at the date of transfer and in accordance with laws and regulations of the State of the Contracting Party in whose territory the investment was made.

## **Article 7. Subrogation**

If the Contracting Party or its authorized body (each of which is hereinafter referred to as the insurer) makes payment to the investor of its State on the basis of the guarantee of protection against non-commercial risks granted in respect of the investments of such investor in the territory of the State of the other Contracting Party, the last Contracting Party recognizes the transfer to the insurer of all Rights and claims in connection with such investments, and also recognizes that the insurer has the right to exercise these rights and present b requirements in the same amount as the original investor.

## **Article 8. Applicable Rules**

If the provisions of laws and regulations of the state of any Contracting Party or obligations set forth in international agreements that are currently in effect or will be concluded in the future between the Contracting Parties in addition to this Agreement contain provisions giving a more favorable treatment to investors' investments of the state of the other Contracting Party than

Stipulated by this Agreement, such provisions will apply insofar as they are more favorable to the investor.

## **Article 9. Settlement of Disputes between One Contracting Party and an Investor of the State of the other Contracting Party**

1. Any dispute under this Agreement relating to investments between one Contracting Party and an investor of the State of the other Contracting Party shall be resolved, as far as possible, in a friendly manner through consultations and negotiations between the parties to such a dispute.

2. If the dispute can not be resolved within six months from the date of the written request of any party to the dispute to hold consultations and negotiations, such dispute may be referred to the investor's choice for consideration:

A) to the competent court or arbitral tribunal of the State of the Contracting Party in whose territory the investment has been made; or

B) the International Center for the Settlement of Investment Disputes (hereinafter referred to as ICSID) established in accordance with the Convention on the Settlement of Investment Disputes between States and Natural or Legal Persons of Other States, opened for signature in Washington on March 18, 1965, to resolve the dispute In accordance with the provisions of this Convention (provided that the said Convention entered into force for both States of the Contracting Parties) or in accordance with the Additional Rules of ICSID (in the event that the said Convention has not entered into force for one of the Contracting Parties or both of them); or

C) to the ad hoc arbitral tribunal, established in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

3. At any stage of the arbitral proceedings or the enforcement of the award, no Contracting Party involved in the dispute can raise as an objection the fact that the investor that is a party to the dispute has received, on a subrogation basis, a refund that fully or partially covers its loss.

4. The award is final and binding on both parties to the dispute. Each Contracting Party shall ensure the implementation of such a decision in accordance with the laws and regulations of its State.

## **Article 10. Settlement of Disputes between the Contracting Parties**

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiation between the Contracting Parties.

2. If a dispute can not be resolved within six months from the date of a written request of a Contracting Party for negotiations, at the request of any Contracting Party it shall be referred to the arbitral tribunal.

3. The arbitral tribunal shall be established as follows: each Contracting Party shall appoint one member of the arbitral tribunal and these two members agree that the citizen of a third state, with the approval of the Contracting Parties, be appointed chairman of the arbitral tribunal. The members of the arbitral tribunal shall be appointed within three months and the chairman within five months from the date on which any Contracting Party has informed the other Contracting Party in writing of its intention to refer the dispute to the arbitral tribunal.

4. If, within the time limits specified in paragraph 3 of this article, the necessary appointments have not been made, any Contracting Party may request the President of the International Court of Justice of the United Nations (hereinafter referred to as the International Court of Justice) to make such appointments. If the President of the International Court of Justice is a national of a State of one of the Contracting Parties or for other reasons can not comply with that request, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President of the International Court of Justice is also a national of a State of one of the Contracting Parties or for other reasons also fails to comply with that request, the Member of the International Court of Justice who is not a national of either of the Contracting Parties and for him Which lacks other reasons that do not allow him to comply with this request.

5. The arbitral tribunal shall settle the dispute on the basis of the provisions of this Agreement and the norms and principles of international law. The arbitral tribunal shall render its decision by a majority of votes. Such a decision is final and binding on the Contracting Parties.

6. The arbitral tribunal determines the order of its work independently.

7. Each Contracting Party shall bear the costs associated with the activities of its appointed member of the arbitral tribunal and with its representation in the arbitral proceedings. Expenses related to the activities of the chairman of the arbitral tribunal, as well as other expenses, are shared by the Contracting Parties in equal shares. The arbitral tribunal, however, may provide in its decision that one of the Contracting Parties will bear a larger share of the costs and such a decision will be binding on both Contracting Parties.

## **Article 11. Consultations**

The Contracting Parties shall, at the request of one of them, consult on matters pertaining to the interpretation or application of this Agreement.

## **Article 12. Application of the Agreement**

This Agreement applies to all investments carried out by investors of the State of one Contracting Party in the territory of the State of the other Contracting Party after the entry into force of this Agreement.

## **Article 13. Entry Into Force, Operation and Termination of the Agreement**

1. This Agreement shall enter into force upon the expiry of thirty days from the date of receipt through diplomatic channels of the last written notification of the fulfillment by the Contracting Parties of the domestic procedures necessary for its entry into force.

2. This Agreement shall remain in force for a period of ten years. After the end of this period, the Agreement shall remain in effect for subsequent 10-year periods unless it is terminated by any Contracting Party by written notification to the other Contracting Party at least twelve months before the expiry of the relevant period.

3. With respect to investments made before the date of termination of this Agreement and subject to this Agreement, the provisions of this Agreement shall remain in force for the next ten years from the date of termination of this Agreement.

4. This Agreement may be amended in writing with the mutual consent of the Contracting Parties.

IN WITNESS WHEREOF the undersigned representatives duly authorized by their governments have signed this Agreement.

DONE at Moscow on March 15, 2016, in duplicate, each in the Russian, Arabic and English languages, all texts being equally authentic. In the event of a divergence in the interpretation of this Agreement, the English text shall be used.

(Signatures)