Agreement on Mutual Encouragement and Protection of Investors Between the Government of the Islamic Republic of Iran and the Government of the Republic of Iraq

The Government of the Islamic Republic of Iran and the Government of the Republic of Iraq are hereby called the "Contracting Parties",

With an interest in strengthening economic cooperation in the direction of ensuring the interests of both governments, with the aim of improving their economic resources and potential facilities in the matter of investors, as well as creating and maintaining favorable conditions for investors, and by confirming the need to encourage and support the investments of the nationals of the contracting parties in the territory of each other,

They agreed as follows:

Article 1. Definitions

According to this Agreement, the meanings of the terms to be used will be as follows:

1. The term "invested capital" means any type of property or asset, including the following, by the investors of one of the Contracting Parties in the territory and according to the laws and regulations of the other Contracting Party (which is called the investing Contracting Party), including:

a) movable and immovable property and rights related to it,

b) shares or any kind of participation in companies,

c) interest or any receivables,

d) intellectual and industrial property rights, such as patent rights, patent rights with a limited period, Industrial designs or samples, trade marks and names, technical knowledge and goodwill

e) The right to discover, extract or exploit natural resources.

2. The term "investors" refers to the following persons who have invested in the territory of the Contracting Party under this Agreement:

a) Natural persons who, according to the laws and regulations of each of the Contracting Parties, are considered nationals of that Contracting Party and do not have the nationality of the other Contracting Party.

b) Legal entities of each of the Contracting Parties that are established according to the laws and regulations of the same Contracting Party and have the center of administration or the main center of their activities located in the territory of the said Contracting Party.

3. The term "Proceeds" means the funds legally obtained from the investor, including the profit from the investor, dividends, fees and royalties.

4. The term "currency that can be freely converted" means any type of currency that the International Monetary Fund determines, from time to time, as a currency that can be freely used according to the Statute of the International Monetary Fund and any amendment thereof.

5. The term "territory": for the purposes of this agreement, the scope of this agreement will be the territory of each of the Contracting Parties over which they exercise jurisdiction or jurisdiction according to international law.

Article 2. Investment Promotion

1. Each of the Contracting Parties will encourage its nationals to invest in the territory of the other Contracting Party.

2. Each of the Contracting Parties, within the limits of its own laws and regulations, will provide the appropriate time to attract the investment of the nationals of the other Contracting Party in its territory.

Article 3. Admission of Investment

1. Each of the Contracting Parties will act in accordance with its laws and regulations regarding the admission of investors of real and legal persons of the other Contracting Party in its territory.

2. Each of the Contracting Parties, at the request of the investor, will grant all the permits that are necessary according to its laws and regulations for the realization of the aforementioned investment.

Article 4. Protection of Investors

The natural and legal persons of each of the Contracting Parties in the territory of the other Contracting Party shall enjoy the full legal protection of the Contracting Party receiving the investment, and shall be granted fair treatment not more disadvantageous than that applied to its own investors or investors of any third party in similar conditions.

Article 5. More Favorable Conditions

Regardless of the terms stipulated in this agreement, more favorable terms that have been or will be agreed upon between any of the Contracting Parties and an investor of the other Contracting Party will be applicable.

Article 6. Expropriation and Compensation

1. Capital deposits of natural and legal persons of each of the Contracting Parties will not be expropriated by the other Contracting Party or will not be subject to similar measures unless the said measures are taken for general purposes; they should be done in a non-discriminatory way, in accordance with the laws and regulations, and in return for a quick, effective and sufficient compensation.

2. The amount of compensation must be equal to the value of the investor on the day immediately before the confiscation, expropriation, expropriation or any other loss.

Article 7. Losses

The investors of each of the Contracting Parties, whose capital is damaged due to war, revolution, civil unrest, rebellion or similar emergency in the territory of the other Contracting Party, shall be entitled to compensation in relation to the behavior of the said Contracting Party in no less favorable terms than its investors or investments, or of the investors of any third country.

Article 8. Return and Transfer of Capital and Profit

1. Each of the Contracting Parties, according to its laws and regulations, and in good faith, will allow the following transfers to be made out of its territory without delay regarding the investment that is the subject of this Agreement:

a) Incomes,

b) Amounts resulting from the sale or liquidation of all or part of the investment,

c) royalties and fees related to the technology transfer contract,

d) Amounts paid according to Articles 6 or 7 of this Agreement,

e) installments of loans related to capital investment, provided that it is paid from the place of operation of the investor,

f) The monthly salaries and wages received by the employees of the investor who do not have the nationality of the investing Contracting Party and who are engaged in work related to that investor in the territory of the investing Contracting Party,

g) Grant funds resulting from the decision of the authority mentioned in Article 12.

2. The above transfers must be made in a currency that can be freely converted and at the current rate based on the currency regulations at the time of transfer.

3. The investor and the contracting party receiving capital can agree on the return or transfer of the subject of this article in a delayed manner, including the provisions related to the International Monetary Fund.

Article 9. Subrogation

Whenever one of the Contracting Parties or the representative appointed by it becomes the successor of the investor, according to the applicable legal system, which is carried out by virtue of an insurance contract or the guarantee of non-commercial risks of an investor:

a) The aforementioned successor will be recognized as valid by the other Contracting Party,

b) The successor will not be entitled to more rights than the investor,

c) Disputes between the successor and the investing Contracting Party will be settled based on Article 12 of this agreement. And the season will be.

Article 10. Compliance with Obligations

Each of the Contracting Parties guarantees compliance with the obligations it has assumed in connection with investors, natural and legal persons of the other Contracting Party.

Article 11. Investments Included In the Agreement

This Agreement is applied to the investments that are approved by the competent authority of a Contracting Party.

1. The competent authority of the Islamic Republic of Iran is the "Organization of Investment and Economic and Technical Assistance of Iran" or any other authority that is appropriate.

2. The competent authority of the Republic of Iraq is the "National Investment Commission" or any other authority that is appropriate for it.

Article 12. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. In the event of a dispute between an Investing Contracting Party and an Investor of the other Contracting Party regarding the investment (capital), the said parties will initially try to resolve the dispute amicably through negotiation and consultation.

2. If the Contracting Party receiving the investment and the aforementioned investor (investors) cannot reach an agreement within a period of six months from the date of notification of the claim, each of them can raise the dispute in the competent authority of the Contracting Party receiving the investment, or while observing the laws and regulations, they are referred to a three-person arbitral tribunal,

3. Any dispute that is initially raised in the jurisdiction of a Contracting Party, cannot be referred to arbitration until it is decided, except with the agreement of the parties.

Any dispute that is first referred to arbitration will be excluded from the jurisdiction of internal courts. However, the provisions of this paragraph will not prevent the aggrieved party from referring to the domestic courts for its implementation.

4. The Contracting Party, the investor or the investor (investors) of the other Contracting Party, whichever they want, may refer the dispute to arbitration. In addition to sending a written notification for the appointment of the selected arbitrator, the representative of the other party must appoint an arbitrator within sixty days from the date of receiving the said notification, and the selected arbitrators must appoint the chief arbitrator within sixty days from the date of the last appointment. If one of the parties does not appoint an arbitrator within the specified period, or if the selected arbitrators do not reach an agreement on the selection of the chief arbitrator within the said period, any of the parties can ask the Secretary General of the Permanent Court of Arbitration to determine the arbitrator of the abstaining party or the chief arbitrator. In any case, the chief arbitrator must be chosen from the nationals of a country that has political relations with the Contracting Parties at the time of the appointment.

5. The arbitral tribunal will determine the procedure and place of arbitration according to other matters agreed upon by the Contracting Parties.

6. The decisions of the arbitral tribunal will be mandatory for the Contracting Parties.

Article 13. Settlement of Disputes between the Contracting Parties

1. Any disputes arising out of the interpretation or application of this agreement will be settled through negotiation first. If an agreement is not reached within six months from the start of negotiations, each of the Contracting Parties can, while sending a notice to the other Contracting Party, refer the matter to a three-person arbitral tribunal composed of two arbitrators chosen by the Contracting Parties and the chief arbitrator.

In case the matter is referred to arbitration, each of the Contracting Parties will appoint an arbitrator within sixty days from the date of receiving the notification, and the selected arbitrators of the Contracting Parties will appoint the chief arbitrator within sixty days from the date of the last selection. If any of the Contracting Parties do not appoint their own arbitrator within the specified period, or the selected arbitrators do not reach an agreement on the selection of the chief arbitrator within the said period, any of the Contracting Parties can ask the president of the International Court of Justice to appoint the arbitrator of the abstaining party or the chief arbitrator, as the case may be. In any case, the chief arbitrator must have the nationality of a country that, at the time of the election, has political relations with the Contracting Parties.

2. In cases where the chief arbitrator must be appointed by the President of the International Court of Justice, if the President of the International Court of Justice is excused from performing his duty or is a national of one of the Contracting Parties, the appointment will be made by the Vice President and the Vice President is also excused from performing the aforementioned duty, or if he is a citizen of one of the Contracting Parties, this appointment will be made by the most senior member of the court who does not have the nationality of any of the Contracting Parties.

3. The arbitral tribunal will determine the procedure and place of arbitration according to other matters agreed by the Contracting Parties.

4. The decisions of the arbitral tribunal are mandatory for the Contracting Parties.

5. Each Contracting Party must bear the cost of its own arbitrators and the cost associated with the arbitrator's presence during the arbitration process. Other costs, including the costs of the chief arbitrator, shall be borne equally by both Contracting Parties.

Article 13. Governing Laws

Except for the cases that have been foreseen in this Agreement, the laws and regulations in force in the territory of the Contracting Party where the investments were made, will govern all investors. The investors of one Contracting Party shall invest in the territory of the other Contracting Party in accordance with the laws and regulations of the last mentioned Contracting Party, including, but not limited to, the laws related to the protection of the environment, national security, and the fight against money laundering and corruption.

Article 14. Validity of the Agreement

1. This agreement will be approved by the competent authorities according to the laws and regulations of each of the Contracting Parties.

2. This Agreement will be valid for a period of ten years thirty-one days from the date of submission of the last notification by each of the Contracting Parties to the other Contracting Party stating that it has taken the necessary measures according to its laws and regulations regarding the entry into force of this agreement. The abovementioned duration of this Agreement will not remain valid if one of the Contracting Parties informs the Contracting Party of its termination in writing; in this case, the agreement will be considered terminated six months after the said announcement.

2. After the expiry of the validity period or termination of this Agreement, its provisions regarding the investments included in this Agreement will be enforced for an additional period of ten years.

Article 15. Language, Number of Texts and Differences In the Interpretation of Texts

This Agreement, consisting of a preamble and fifteen Articles, is prepared in two versions in Persian, Arabic, and English languages, and all texts will have the same validity. In case of discrepancies, the English text shall prevail.

This agreement was signed in Tehran on September 15, 1392, corresponding to September 2015, corresponding to 22 Dhu al-Qaida, 1329 AH, by the representatives of the governments of the Islamic Republic of Iran and the Republic of Iraq.

On behalf of the Government of the Islamic Republic of Iran

On behalf of the Government of the Republic of Iraq