

**AGREEMENT
BETWEEN THE GOVERNMENT OF THE RUSSIAN FEDERATION
AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO
ON THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS**

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

desiring to intensify the economic co-operation to the mutual benefit of the States of both Contracting Parties;

intending to create and maintain favourable 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 reciprocal protection of investments under this Agreement shall be conducive to the stimulation of business activities and increase prosperity in the States of both Contracting Parties;

have agreed as follows:

**Article 1
Definitions**

For the purposes of this Agreement:

1. "Investments" shall mean any kind of assets invested by investor 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 shall include, in particular, though not exclusively:

a) movable and immovable property, as well as any property rights such as mortgages, pledges and liens;

b) shares, stocks and any other forms of participation in the capital of enterprises;

c) claims to money or a title to any other performance having an economic value;

d) intellectual property rights, including copyrights, patents, trademarks, trade names, industrial designs, technical processes, know-how;

e) rights to undertake economic and commercial activities conferred by laws and regulations or by a contract concluded in accordance with the laws and regulations of the State of the Contracting Party in the territory of which the investments were made, including concessions to search for, cultivate, extract or exploit natural resources.

Any change in the legal form in which the assets have been invested or reinvested shall not affect their character as "investments", in the sense of this Agreement, provided that such change does not contradict the laws and regulations of the State of the Contracting Party in the territory of which the investments have been made.

2. "Investor" shall mean with regard to the State of either Contracting Party:

a) any natural person which is a national of the State of that Contracting Party by virtue of its laws and regulations and who makes investments in the territory of the State of the other Contracting Party, in accordance with laws and regulations of the State of the latter Contracting Party;

b) any legal person which is constituted in accordance with the laws and regulations of the State of that Contracting Party, and which makes investments 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. "Returns" shall mean amounts yielded by investments and in particular, though not exclusively profits, dividends, interests, royalties and other fees.

4. "Territory of the State of a Contracting Party" shall mean:

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 10th of December 1982;

b) with respect to the Kingdom of Morocco: the territory of the Kingdom of Morocco, including any maritime area situated beyond the territorial waters of the Kingdom of Morocco which has been or might in the future be designated by the laws of the Kingdom of Morocco, in accordance with international law, as an area within which the Kingdom of Morocco may exercise rights with regard to the seabed, subsoil and natural resources.

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

Article 2
Promotion and Protection of Investments

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

Any extension or transformation of investments performed according to the laws and regulations of the State of the Contracting Party in whose territory the investments are made, is considered as new investments.

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 accorded full protection and security.

3. Returns of investments of an investor of the State of one Contracting Party in case of their reinvestment in accordance with the laws and regulations of the State of the other Contracting Party in whose territory the investments have been made shall enjoy the same protection as the initial investments of such investor.

Article 3
Treatment of Investments

1. Each Contracting Party shall accord in the territory of its State to investments made by investors of the State of the other Contracting Party a treatment not less favourable than that it accords, in like circumstances, to investments of its own investors or to investments of investors of any third State depending on which treatment the investor considers as more favourable.

2. Each Contracting Party shall in the territory of its State accord to investors of the State of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investments, treatment no less favourable than that it accords, in like circumstances, to its own investors or to investors of any third State depending on which treatment the investor considers as more favourable.

3. Each Contracting Party reserves the right to apply, in accordance with the laws and regulations of its State, exceptions from national treatment granted to the investors of the State of the other Contracting Party and their investments as well as reinvestments in accordance with paragraphs 1 and 2 of this Article, provided that such exceptions are applied on non-discriminatory basis compared with the treatment granted to investors of any third State and their investments as well as reinvestments, and that such exceptions are not arbitrary and

unjustifiable in respect to investors of the State of the other Contracting Party or their investments and reinvestments.

4. The most favoured nation treatment mentioned in paragraphs 1 and 2 of this Article shall not apply to privileges which a Contracting Party accords or will accord in the future to investments of investors of a third State or to investors of a third State:

– by virtue of its participation in or of its association with a free trade zone, an economic or a customs union, a common market or any similar economic integration organizations or union; or

– by virtue of any international agreement meant to avoid the double taxation or any other arrangement relating to taxation.

5. Without prejudice to the provisions of Articles 1, 2, 4, 5 and 9 of this Agreement, the Contracting Parties are not committed by this Agreement to accord a treatment more favourable than the treatment granted by each Contracting Party in accordance with the Agreement establishing the World Trade Organization (the WTO Agreement) signed on 15th of April 1994 including the obligations of the General Agreement on Trade in Services (GATS) and also in accordance with any other multilateral arrangement concerning the treatment of investments to which States of both Contracting Parties are parties.

Article 4

Expropriation and Compensation

1. Any measure of nationalization, expropriation or any other measures having an equivalent effect (hereinafter referred to as “expropriation”) which could be taken by one Contracting Party in respect of investments made by investors of the State of the other Contracting Party must be neither discriminatory nor taken for other purpose than for a public purpose, in accordance with the procedure established by the laws and regulations of the State of the former Contracting Party and against prompt, adequate and effective compensation.

2. The compensation referred to in paragraph 1 of this Article shall amount to the fair market value of the expropriated investments on the date immediately preceding the date of the expropriation or on the date immediately preceding the date when the expropriation becomes publicly known whichever is the earlier.

3. The compensation referred to in paragraph 1 of this Article shall be paid without undue delay. In case of a delay in its payment, the compensation shall bear interest calculated at the market rate. The compensation shall be effectively realizable and freely transferable in accordance with Article 6 of this Agreement.

Article 5 Compensation for Losses

Investors of the State of a Contracting Party whose investments suffer damages or losses owing to a war or another armed conflict, revolution, a state of national emergency, revolt, insurrection or another similar event in the territory of the State of the other Contracting Party shall be accorded by the latter Contracting Party, as regards to restitution, indemnification, compensation or other settlement, in respect of such damages and losses, a treatment which is not less favourable than that accorded by the latter Contracting Party to the investors of its State or to investors of any third State.

Article 6 Transfers of payments

1. Each Contracting Party shall guarantee to investors of the State of the other Contracting Party, after fulfilment by them of all tax obligations, the free transfer abroad of payments relating to their investments and in particular, but not exclusively:

- a) capital or additional amount for the purpose of maintaining or increasing the investments;
- b) returns as defined in Article 1 of this Agreement;
- c) funds necessary for the reimbursement of loans relating to the investments and interest to such loans;
- d) proceeds from the total or partial liquidation of investments;
- e) a compensation paid pursuant to Article 4 of this Agreement as well as indemnification and another settlement paid pursuant to Article 5 of this Agreement;
- f) salaries and other remunerations received by nationals of the State of the other Contracting Party who are allowed to work in accordance with laws and regulations of the State of the former Contracting Party in its territory in connection with investments;

g) payments resulting from the settlement of disputes pursuant to Article 9 of this Agreement.

2. The transfers of payments referred to in paragraph 1 of this Article shall be made without undue delay, in a freely convertible currency at the market rate of exchange applicable on the date of the transfer and under the laws and regulations of the State of the Contracting Party in whose territory the investments have been made.

Article 7 Subrogation

If a Contracting Party or its designated agency (either of them hereinafter referred to as "insurer") makes a payment to an investor of its State by virtue of a guarantee against non-commercial risks accorded in respect of investments of such investor in the territory of the State of the other Contracting Party, the latter Contracting Party shall recognize the subrogation to the insurer of all the rights and claims ensuing from such investments, and shall recognize that the insurer is entitled to exercise these rights and to enforce the claims to the same extent as the original investor.

Article 8 Applicable rules

If the provisions of the laws and regulations of the State of either Contracting Party or obligations under international treaties existing at present or hereafter between the Contracting Parties in addition to this Agreement contain the provisions entitling investments of investors of the State of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such provisions shall apply to the extent that they are more favourable to the investor.

Article 9 Settlement of Disputes between a 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 settled, as far as possible, amicably through consultations and negotiations between the parties to the dispute.

2. If the dispute cannot be settled within six months from the date of the written request of any party to the dispute for consultations and negotiations, the dispute may be submitted at the choice of the investor for consideration:

a) to a competent court or an arbitration court of the State of the Contracting Party in whose territory the investments have been made; or

b) to the International Centre 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 Nationals of other States, opened for signature at Washington on 18th of March 1965, for settlement of a dispute according to the provisions of this Convention (provided that the said Convention has entered into force for both States of the Contracting Parties) or according to the Additional Facility Rules of the ICSID (provided that the said Convention has not entered into force for either of the State of the Contracting Parties or both of them); or

c) to an *ad hoc* arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

3. At any stage of the arbitration proceedings or enforcement of an arbitration award neither Contracting Party, involved in a dispute, may raise as an objection the fact that the investor, who is a party to the dispute, has received by virtue of subrogation an indemnification covering wholly or partially his losses.

4. The arbitral award shall be final and binding on both parties to the dispute. Each Contracting Party shall ensure the enforcement of the award 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 the application of this Agreement shall be settled, if possible, through negotiations between the Contracting Parties.

2. If the dispute cannot be settled within six months from the date of a written request for the negotiations of a Contracting Party, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

3. The arbitral tribunal shall be constituted as follows: each Contracting Party shall appoint one member of the arbitral tribunal and these two members shall agree upon a national of a third State to be appointed, upon approval of the Contracting Parties, as the 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 either Contracting Party has informed in writing the other Contracting Party of its intention to submit the dispute to the arbitral tribunal.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, either Contracting Party may invite the President of the International Court of Justice of the United Nations Organization (hereinafter referred to as "the International Court of Justice") to make the necessary appointments. If the President of the International Court of Justice is a national of the State of either Contracting Party or if he is otherwise prevented from discharging the said function, 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 the State of either Contracting Party or if he is also otherwise prevented from discharging the said function, the next in seniority member of the International Court of Justice who is not a national of the State of either Contracting Party and not otherwise prevented from discharging the said function shall be invited to make the necessary appointments.

5. The arbitral tribunal shall rule on the basis of the provisions of this Agreement and rules and principles of international law. The arbitral tribunal shall reach its decision by a majority of votes. The decision shall be final and binding for the Contracting Parties.

6. The arbitral tribunal shall determine its own rules of procedure.

7. Each Contracting Party shall bear the costs in connection with the activity of the member of the tribunal it has appointed and its representation in the arbitral proceedings. ~~The costs related to activity of the Chairman of the~~ arbitral tribunal and the remaining costs shall be borne in equal parts by the Contracting Parties. The arbitral tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the Contracting Parties and this decision shall be binding on both Contracting Parties.

Article 11 Consultations

The Contracting Parties shall proceed, at the request of one of them, to consultations relating to the matters concerning the interpretation or the implementation of this Agreement.

Article 12 Application of the Agreement

This Agreement shall apply to all investments made 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, Validity and Expiration of the Agreement

1. This Agreement shall enter into force upon the expiry of thirty days upon the receipt through diplomatic channels of the last written notification of the completion by the Contracting Parties of their internal state procedures necessary for its entry into force.

2. This Agreement shall remain in force for a period of ten years. It shall remain in force thereafter for successive periods of ten years, unless terminated by a written notification of either Contracting Party to the other Contracting Party made at least twelve months in advance to the date of the expiry of the respective period.

3. In respect of investments made prior to the date of the termination of this Agreement falling within the scope of application of this Agreement, the provisions of this Agreement shall remain in force for a further period of ten years from the date of the termination of this Agreement.

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

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

Done at Moscow, on 15th of March 2016 in duplicate, each in the Russian, Arabic and English languages, all texts being equally authentic. In case of difference of interpretation of this Agreement the text in the English language shall be used.

**FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION**

**FOR THE GOVERNMENT OF
THE KINGDOM OF MOROCCO**

