

No. 15497

**FRANCE
and
MOROCCO**

**Agreement on the reciprocal protection, encouragement
and guarantee of investments (with exchanges of let-
ters). Signed at Rabat on 15 July 1975**

Authentic texts: French and Arabic.

Registered by France on 27 February 1977.

**FRANCE
et
MAROC**

**Accord sur la protection, l'encouragement et la garantie
réciproques des investissements (avec échanges de let-
tres). Signé à Rabat le 15 juillet 1975**

Textes authentiques : français et arabe.

Enregistré par la France le 27 février 1977.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FRENCH
REPUBLIC AND THE GOVERNMENT OF THE KINGDOM OF
MOROCCO ON THE RECIPROCAL PROTECTION, ENCOUR-
AGEMENT AND GUARANTEE OF INVESTMENTS

The Government of the French Republic and the Government of the Kingdom of Morocco,

Desiring to promote economic co-operation between the two States and to create favourable conditions for productive investments by nationals of each of the Contracting Parties in the territory of the other Party,

Recognizing that the protection of productive investment is likely to stimulate private economic initiative,

Have agreed on the following provisions:

Article 1. Each Contracting Party shall allow and encourage in its territory, in accordance with its legislation, the investments of nationals, whether individuals or bodies corporate, of the other Contracting Party.

Article 2. Each Contracting Party shall accord in its territory just and equitable treatment for the investments made by nationals, whether individuals or bodies corporate, of the other Party.

For this purpose, each Contracting Party shall accord to such investments at least the same security and protection as that accorded to the investments of its own nationals or of the nationals, whether individuals or bodies corporate, of any other third State.

The arrangement provided for in the preceding paragraph shall not, however, include privileges granted by either Contracting Party by virtue of its participation in or association with a customs union, common market, free trade area or any other kind of regional economic organization, to nationals, whether individuals or bodies corporate, of a third State.

Article 3. Productive investments effected in the territory of one Contracting Party by the nationals, whether individuals or bodies corporate, of the other Party, shall receive the prior approval of either Contracting Party, in accordance with its legislation, provided that they contribute to its economic and social development.

Article 4. Each Contracting Party shall guarantee, in accordance with the procedures provided for by its legislation, the productive investments of its nationals, whether individuals or bodies corporate, which have been approved in the territory of the other Party, against the risks of nationalization, expropriation and any other measure taken by the public authorities having the same effect or character.

Article 5. Measures of nationalization, expropriation or any other measure of the public authorities having the same effect or the same character which may be

¹ Came into force on 13 December 1976, the date of the last of the notifications (effected on 30 July and 13 December 1976) by which the Parties informed each other of the completion of the required formalities, in accordance with article 13.

taken by one of the Parties with respect to investments belonging to nationals or bodies corporate of the other Party, must be neither discriminatory nor motivated by reasons other than public utility.

In the event of nationalization, expropriation or any other measure taken by the public authorities having the same effect or the same character, each Contracting Party shall undertake to pay just and equitable compensation to such nationals or bodies corporate of the other Party.

The arrangements for the transfer of the compensation mentioned in the preceding paragraph shall be those established by the provisions of article 6 concerning the proceeds of the complete or partial liquidation of the investments.

Article 6. The Contracting Parties shall authorize, with respect to approved investments, the transfer of:

- net real profits, interest and dividends accruing to investors, whether individuals or bodies corporate, who are nationals of one of the two countries;
- royalties and loan repayments derived from validly concluded contracts;
- proceeds of the complete or partial liquidation of the investments.

The legal provisions governing such transfers shall be those in force at the time of approval for transfers effected during a period of 10 years from the date of approval of the investment. The investor may, however, at his request, benefit from the provisions in force at the time of carrying out the transfer.

Transfers shall be effected as quickly as is allowed by normal administrative formalities.

The rate of exchange applicable to the above-mentioned transfers shall be that in force on the day of the transfer on the official exchange market of the country from which the transfers are effected.

Article 7. Investments which have been the subject of a specific undertaking by one Contracting Party vis-à-vis nationals, whether individuals or bodies corporate, of the other Party, shall be governed by the terms of that undertaking, in so far as its provisions are more favourable than those laid down in this Agreement.

Article 8. Each Contracting Party shall facilitate, in accordance with its legislation, the professional activity of nationals of the other Party when this is necessary for a productive investment effected in its territory.

Article 9. When one Contracting Party, by virtue of a guarantee issued in respect of an investment effected in the territory of the other Party, makes payments to one of its nationals, whether an individual or a body corporate, it shall thereby enter into the rights and shares of the said national. This subrogation shall extend to the right of transfer referred to in articles 5 and 6 above.

Article 10. Each Party shall accept the competence of the International Centre for Settlement of Investment Disputes to settle any dispute which may arise between it and a national of the other Party concerning a productive investment benefiting both from the prior approval of the former and the guarantee of the latter.

However, recourse shall be had to this body only:

- on condition that the disputes are of a legal nature and are concerned with the nature or extent of the compensation due for non-compliance with a legal obligation laid down in articles 3 to 7 of this Agreement, and

- on condition that all domestic means of recourse have been exhausted, this second condition lapsing two years after the institution of legal proceedings.

Article 11. Any dispute between the Contracting Parties regarding the interpretation or implementation of this Agreement which has not been settled through the diplomatic channel within six months may be submitted, at the request of either of the Parties, to an arbitral tribunal, to be established as follows:

Each Contracting Party shall designate an arbitrator within two months of the date of receipt of the request for arbitration. The two arbitrators so designated shall choose, within two months after the notification of the last Party to designate its arbitrator, a third arbitrator who shall be a national of a third State.

If one of the Contracting Parties has not designated an arbitrator within the established time-limit, the other Party may request the Secretary-General of the United Nations to designate him. Either Party may make a similar request if the two arbitrators cannot agree on the choice of a third arbitrator.

The Contracting Parties may agree in advance to designate, for a renewable period of five years, the person who will act as the third arbitrator if a dispute arises.

The tribunal shall establish its own rules of procedure.

The decision of the arbitral tribunal shall be final and enforceable *ipso jure*.

Article 12. The provisions of this Agreement shall apply only to productive investments effected after the date of its entry into force.

Article 13. Each of the Parties shall notify the other of the completion of the formalities required in its territory for the entry into force of this Agreement. It shall enter into force on the date of the last of these notifications.

This Agreement is concluded for a period of 10 years renewable for the same period unless terminated in writing by one of the two Contracting Parties one year before the expiration of each period.

In the event of termination, this Agreement shall continue to be applicable to investments made during the period when it was in force.

DONE at Rabat on 15 July 1975, in two originals in the French and Arabic languages, both being equally authentic.

For the Government of the French Republic:

[Signed]

J.-P. FOURCADE

For the Government of the Kingdom of Morocco:

[Signed]

ABDEL KADER BENSLIMANE

EXCHANGES OF LETTERS

I a

Rabat, 15 July 1975

Sir,

In the course of the discussions which resulted in the signing today of the Agreement between the Government of the Kingdom of Morocco and the Government of the French Republic on the reciprocal protection, encouragement and guarantee of investments, the Moroccan delegation requested clarification of the meaning of the expression "body corporate" appearing, *inter alia*, in article 1 of this Agreement.

In reply, I have the honour to propose that, for the purpose of the application of this Agreement, this expression shall apply to any body corporate incorporated in the territory of one of the Contracting Parties in accordance with its legislation and having its headquarters there.

Bodies corporate which do not meet this definition may nevertheless by mutual agreement be treated in the same manner as those mentioned in the preceding paragraph.

I should be obliged if you would inform me whether these proposals meet with the agreement of your Government.

Accept, Sir, etc.

J.-P. FOURCADE

II a

Rabat, 15 July 1975

Sir,

I have the honour to acknowledge receipt of your letter of today which reads as follows:

[See letter I a]

I have the honour to confirm that these proposals meet with the agreement of my Government.

Accept, Sir, etc.

[Signed]

ABDEL KADER BENSLIMANE

I b

Rabat, 15 July 1975

Sir,

During the negotiations which resulted today in the signing of the Agreement between our two Governments on the reciprocal protection, encouragement and guarantee of investments, you asked me, in order to create the most favourable conditions for French investment in Morocco, to confirm the attitude of the Moroccan Government with respect to investments effected before the signature of the Agreement.

I have the honour to inform you that the Moroccan Government will continue to accord just and equitable treatment to investments belonging to nationals, whether individuals or bodies corporate, of the French Republic, regardless of the date on which these investments were effected.

I should be grateful if you would inform me of the agreement of your Government to the terms of this letter.

[Signed]

ABDEL KADER BENSLIMANE

II b

Rabat, 15 July 1975

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

[See letter I b]

I have the honour to confirm that these proposals meet with the agreement of my Government.

Accept, Sir, etc.

J.-P. FOURCADE
