

**No. 17105**

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**NETHERLANDS  
and  
MOROCCO**

**Agreement on economic co-operation (with exchanges of letters dated 19 March 1971). Signed at Rabat on 23 December 1971**

*Authentic text: French.*

*Registered by the Netherlands on 29 September 1978.*

**Extensions of the above-mentioned Agreement**

*Certified statements were registered by the Netherlands on 29 September 1978.*

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**PAYS-BAS  
et  
MAROC**

**Accord de coopération économique (avec échanges de lettres en date du 19 mars 1971). Signé à Rabat le 23 décembre 1971**

*Texte authentique : français.*

*Enregistré par les Pays-Bas le 29 septembre 1978.*

**Prorogations de l'Accord susmentionné**

*Les déclarations certifiées ont été enregistrées par les Pays-Bas le 29 septembre 1978.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> ON ECONOMIC CO-OPERATION BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO

The Government of the Kingdom of the Netherlands and the Government of the Kingdom of Morocco,

Desiring to strengthen their traditional ties of friendship, to extend and intensify their economic relations and to encourage investments on the basis of equality and for their mutual benefit,

Have agreed as follows:

*Article I.* For the purposes of this Agreement:

(a) The term “nationals” also includes legal persons constituted in accordance with the law of either Contracting Party and having their principal establishment in the territory of that Contracting Party.

(b) The term “legal person” also includes, subject to the obligations incumbent upon the latter by the law in force in the host country, a legal person constituted in accordance with the law of either Contracting Party and established in the territory of that Contracting Party, in respect of which permission has been granted or agreement has been reached that, because it is controlled by a national of the other Contracting Party, it should be treated as a national of the latter Contracting Party for purposes of this Agreement.

(c) The term “investments” shall include, more particularly, though not exclusively:

- (i) Movable and immovable property as well as any other rights *in rem*, such as mortgage, security, pledge, usufruct, and similar rights;
- (ii) Shares or other kinds of interest;
- (iii) Title to money or to any performance having an economic value;
- (iv) Copyrights, industrial property rights, technical processes, trade-names and goodwill; and
- (v) Business licenses under public law, including concessions regarding the prospecting for, or the extraction of, natural resources.

*Article II.* (1) The Contracting Parties agree to promote their economic co-operation.

(2) The Contracting Parties shall co-operate with a view to facilitating the participation of their nationals in productive and tertiary activities.

*Article III.* (1) To further the achievement of the aims of this Agreement, the Contracting Parties shall authorize, within the limits of their legislation, their nationals to accept instalment payments for the provision of capital goods to the public and private enterprises of the other country, as well as for carrying out public works for these enterprises.

<sup>1</sup> Applied provisionally from 23 December 1971, the date of signature, and came into force definitively on 27 July 1978, i.e., the 30th day after the exchange of the instruments of ratification, which took place at The Hague on 27 June 1978, in accordance with article XIX (2).

(2) Each Contracting Party shall guarantee, subject to its legislation, the transfer, when due, of the sums owing to creditors who are nationals of the other Contracting Party.

*Article IV.* (1) The Contracting Parties shall promote the strengthening of commercial relations between their countries, so as to bring them to the highest possible level.

(2) Within the framework and limits of their national legislation, and with a view to developing their resources, they shall promote co-operation between the companies, associations, foundations and other organizations which are related to economic life, as well as co-operation between all their nationals who carry out economic activities.

*Article V.* (1) The Contracting Parties reaffirm their support for the principle of free commercial navigation and agree to refrain from taking any discriminatory measures in this area.

(2) (a) Irrespective of the formalities relating to the entry, stay and departure of non-nationals, each of the Contracting Parties shall accord the same treatment in its ports to the vessels of the other Contracting Party as it accords to its own vessels concerning:

- (i) Port fees and charges;
- (ii) Free entry into ports, their use and all the facilities pertaining to navigation and commercial operations for the vessels and their crews, the passengers and merchandise, especially in regard to the assignment of berths and facilities for loading and unloading.

(b) Subparagraph (a) does not apply, *inter alia*, to port services, towage, pilotage, coastal shipping and fishing.

(3) By respecting its formal international obligations, including the recommendations adopted within the United Nations, each Contracting Party shall take the necessary measures, under its port laws and regulations, to reduce, as far as possible, the time of stay of the vessels of the other Contracting Party in its ports and to simplify the completion of the administrative, customs and health formalities in force in these ports.

(4) For the purposes of this article:

(a) The term "vessel of a Contracting Party" means any vessel, except a warship or fishing vessel, flying the flag of that Contracting Party in accordance with the law of the latter.

(b) The term "crew" means the captain of the vessel and any person who is employed during the voyage on board the ship in the carrying out of duties related to the operation of the ship or to its maintenance and who appears on the list of the crew.

*Article VI.* (1) With respect to the payment of taxes, fees or charges and to the granting of fiscal deductions and exemptions, each Contracting Party shall accord to nationals of the other Contracting Party engaged in economic activities in its territory, the same treatment as that accorded to its own nationals or to nationals of a third State, if the latter treatment is more favourable to the taxpayer.

(2) Each Contracting Party is free to accord special tax advantages by virtue of international agreements for the avoidance of double taxation.

*Article VII.* With respect to the protection of industrial property, nationals of either Contracting Party shall enjoy in the territory of the other Contracting Party protection not less favourable than that enjoyed by the nationals of the latter Contracting Party, without prejudice to the rights derived from international conventions which are binding on the Contracting Parties in the field of industrial property.

*Article VIII.* Each Contracting Party undertakes to facilitate, in conformity with its existing legislation and with its formal international commitments, with regard to the other Contracting Party:

- (a) The holding in its territory of economic and commercial expositions and displays;
- (b) The importation into its territory and the re-exportation of professional equipment and of material and equipment to be used for technical work for governmental bodies and private enterprises.

*Article IX.* (1) Each Contracting Party shall ensure fair and equitable treatment to the investments of nationals of the other Contracting Party and shall not impair, by unjustified or discriminatory measures, their management, maintenance, use, enjoyment or disposal.

(2) More particularly, each Contracting Party shall accord to such investments the same security and the same protection as it accords to those of its own nationals, or to those\* of third countries, if the latter treatment is more favourable to the investor.

*Article X.* With respect to investments made in the territory of one of the Contracting Parties under the terms of the legislation of the latter by a national of the other Contracting Party, the first Contracting Party undertakes, in accordance with the particular terms of the legislation in force in its territory at the time of the acceptance of the investment in question, or in accordance with more favourable subsequent legislation, to authorize—within the normal period required for the completion of the necessary formalities—the transfer to the country of the other Contracting Party, in the same currency as used in the initial investment, of, *inter alia*:

- The net profits, interests, dividends, royalties and other current income accruing from any economic activity and reverting to nationals of the other Contracting Party;
- The proceeds of the total or partial liquidation of any investment made by nationals of the other Contracting Party;
- A suitable portion of the earnings of nationals of the other Contracting Party authorized to work in its territory;
- Funds in repayment of borrowings which the Contracting Parties have recognized as investments.

*Article XI.* Neither Contracting Party shall take any measures depriving, directly or indirectly, nationals of the other Contracting Party of their investments unless the following conditions are met:

- (a) The measures are taken in the public interest and under due process of law;
- (b) The measures are not discriminatory or contrary to any undertaking assumed by the Contracting Party which took these measures;
- (c) The measures are accompanied by a provision for the payment of just compensation; such compensation shall correspond to the real value of the investment in question and, in order for it to be effective for those nationals having a right to it, it shall—within the normal period of time necessary for the completion of the corresponding formalities—be paid and made transferable in the same currency as that of the initial investment.

*Article XII.* The Contracting Party in the territory of which an investment has been made, in respect of which investment the other Contracting Party or a national thereof has granted any financial security against non-commercial risks, shall recognize the subrogation of the guarantor into the rights of the investor as to damages, if payment has been made under that security, and up to the amount of that payment.

\* Read "those of nationals of third countries".

*Article XIII.* The Contracting Party in the territory of which a national of the other Contracting Party makes or intends to make an investment shall agree to any demand on the part of such a national to submit, for conciliation or arbitration, to the International Centre for Settlement of Investment Disputes established by the Convention of Washington of 18 March 1965,<sup>1</sup> any dispute which might arise in connection with this investment.

*Article XIV.* This Agreement shall apply to all investments made in the territory of a Contracting Party, under the terms provided for in the legislation of the latter, by nationals of the other Contracting Party.

*Article XV.* (1) The Contracting Parties hereby establish a Joint Commission, composed of representatives appointed by them.

(2) The Joint Commission shall meet at the request of either Contracting Party to discuss any matter pertaining to the implementation of this Agreement and to consider means of promoting economic co-operation between the two countries.

(3) The Joint Commission shall therefore keep under review the development of the economic relations between the two countries, in both bilateral and multilateral contexts. It shall moreover make recommendations to the respective Governments in cases where the objectives of this Agreement might be furthered and a fuller measure of economic co-operation might be obtained.

*Article XVI.* When a matter is governed both by this Agreement and by another international agreement binding the Contracting Parties, no provision of this Agreement shall infringe upon the right of a national of a Contracting Party to take advantage of the provisions most favourable to him.

*Article XVII.* (1) Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement which cannot be settled in any other way shall be submitted, at the request of any Party to the dispute, to an arbitral tribunal of three members. Each Party shall appoint one arbitrator. The two arbitrators thus appointed shall appoint a third arbitrator who is not a national of either Party.

(2) If one of the Parties fails to appoint its arbitrator and has not proceeded to do so within two months after an invitation from the other Party to make such an appointment, the arbitrator shall be appointed, at the request of the latter Party, by the President of the International Court of Justice.

(3) If the two arbitrators are unable to reach agreement, in the two months following their appointment, on the choice of the third arbitrator, the latter shall be appointed, at the request of either Party, by the President of the International Court of Justice.

(4) If, in the cases provided for in paragraphs (2) and (3) of this article, the President of the International Court of Justice is prevented from discharging the said function or is a national of either Party, the Vice-President shall make the appointments. If the Vice-President is prevented from discharging the said function or is a national of either Party, the member of the Court who is next in seniority and is not a national of either Party shall make the appointments.

(5) The tribunal shall base its decision on respect for the law. Before rendering its decision, it may, at any stage of the proceedings, propose to the Parties that the dispute be settled amicably. The foregoing provisions shall not prejudice the power of the arbitral tribunal to decide the dispute *ex aequo et bono* if the Parties so agree.

(6) Unless the Parties decide otherwise, the tribunal shall determine its own procedure.

(7) The tribunal shall reach its decision by a majority of votes. Such decision shall be final and binding on the Parties to the dispute.

<sup>1</sup> United Nations, *Treaty Series*, vol. 575, p. 159.

*Article XVIII.* As regards the Kingdom of the Netherlands, this Agreement shall apply to the territory of the Kingdom in Europe, to Suriname and to the Netherlands Antilles, unless the instrument of ratification of the Kingdom of the Netherlands provides otherwise.

*Article XIX.* (1) This Agreement shall be ratified and the instruments of ratification shall be exchanged as soon as possible at The Hague.

(2) This Agreement shall enter into force on the 30th day after the date of the exchange of the instruments of ratification and shall remain in force for a period of 10 years.

Unless notice of termination is given by one of the Contracting Parties at least six months before the date of expiry of the period of validity, this Agreement shall be tacitly renewed for a further period of 10 years, and thereafter for equal periods, with each Contracting Party reserving the right to terminate the Agreement upon notice of at least six months before the date of expiry of the current period of validity.

(3) Subject to the periods mentioned in paragraph (2) of this article, the Government of the Kingdom of the Netherlands shall be entitled to terminate separately the application of this Agreement in respect of Suriname or the Netherlands Antilles.

(4) In respect of investments made prior to the date of expiry of this Agreement, the foregoing articles shall remain in force for a period of 10 years from that date.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

DONE at Rabat, on 23 December 1971, in duplicate, in the French language.

For the Government of the Kingdom of the Netherlands:  
C. VREEDÉ

For the Government of the Kingdom of Morocco:  
ABDELLATIF FILALI

#### EXCHANGE OF LETTERS

##### Ia

THE CHAIRMAN OF THE NETHERLANDS DELEGATION

Rabat, 19 March 1971

Sir,

With reference to the Agreement on economic co-operation, initialled today, between the Government of the Kingdom of the Netherlands and the Government of the Kingdom of Morocco, I have the honour to confirm that the two delegations have agreed to interpret the term "legislation" as it appears in the various articles of this Agreement in the sense that it also includes the regulations promulgated or decreed by either Contracting Party.

I would appreciate your confirmation of the above understanding.

Accept, Sir, etc.

F. G. MOQUETTE

Chairman of the Delegation of the Government  
of the Kingdom of Morocco

## IIa

CHAIRMAN OF THE MOROCCAN DELEGATION

Rabat, 19 March 1971

Sir,

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

[See letter Ia]

I have the honour to confirm the understanding contained in your letter.  
Accept, Sir, etc.

A. BENNANI

Chairman of the Delegation of the Government  
of the Kingdom of the Netherlands

## Ib

CHAIRMAN OF THE NETHERLANDS DELEGATION

Rabat, 19 March 1971

Sir,

With reference to the Agreement on economic co-operation, initialled today, between the Government of the Kingdom of the Netherlands and the Government of the Kingdom of Morocco, I have the honour to confirm that in the case where one of the Contracting Parties legally reserves the right to activities other than those listed in paragraph 2 *b* of article V of this Agreement, it shall so inform the other Contracting Party subsequently by the diplomatic channel.

I would appreciate your confirmation of the above understanding.  
Accept, Sir, etc.

F. G. MOQUETTE

Chairman of the Delegation of the Government  
of the Kingdom of Morocco

*Ib*

CHAIRMAN OF THE MOROCCAN DELEGATION

Rabat, 19 March 1971

Sir,

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

*[See letter Ib]*

I have the honour to confirm the understanding contained in your letter.

Accept, Sir, etc.

A. BENNANI

Chairman of the Delegation of the Government  
of the Kingdom of the Netherlands

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EXTENSIONS OF THE AGREEMENT ON ECONOMIC CO-OPERATION OF 23 DECEMBER 1971 BETWEEN THE GOVERNMENT OF THE KINGDOM OF THE NETHERLANDS AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO<sup>1</sup>

PROROGATIONS DE L'ACCORD DE COOPÉRATION ÉCONOMIQUE DU 23 DÉCEMBRE 1971 ENTRE LE GOUVERNEMENT DU ROYAUME DES PAYS-BAS ET LE GOUVERNEMENT DU ROYAUME DU MAROC<sup>1</sup>

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By an agreement in the form of an exchange of letters dated at Rabat on 12 December 1972, which came into force on 12 December 1972, the date of the letter in reply, in accordance with the provisions of the said letters, the provisional application of the above-mentioned Agreement of 23 December 1971 was extended through 23 December 1973.

By an agreement in the form of an exchange of letters dated at Rabat on 7 December 1973, which came into force on 7 December 1973, the date of the letter in reply, in accordance with the provisions of the said letters, the provisional application of the above-mentioned Agreement of 23 December 1971, as extended, was further extended through the date of its entry into force [27 July 1978].

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Par un accord conclu sous forme d'échange de lettres en date à Rabat du 12 décembre 1972, lequel est entré en vigueur le 12 décembre 1972, date de la lettre de réponse, conformément aux dispositions desdites lettres, l'application provisoire de l'Accord susmentionné du 23 décembre 1971 a été prorogée jusqu'au 23 décembre 1973.

Par un accord conclu sous forme d'échange de lettres en date à Rabat du 7 décembre 1973, lequel est entré en vigueur le 7 décembre 1973, date de la lettre de réponse, conformément aux dispositions desdites lettres, l'application provisoire de l'Accord susmentionné du 23 décembre 1971, tel que prorogé, a été à nouveau prorogée jusqu'à la date de son entrée en vigueur [le 27 juillet 1978].

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<sup>1</sup> See p. 95 of this volume.

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<sup>1</sup> Voir p. 88 du présent volume.