

**AGREEMENT
BETWEEN
THE GOVERNMENT OF
THE REPUBLIC OF MALDIVES
And
THE GOVERNMENT OF
THE UNITED ARAB EMIRATES
ON
THE PROMOTION AND RECIPROCAL
PROTECTION OF INVESTMENTS**

The Government of the Republic of Maldives and The Government of the United Arab Emirates (hereinafter collectively referred to as “Contracting Parties” or each referred to as a “Contracting Party”);

Desiring to promote greater economic co-operation between them, with respect to investments made by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that agreement on the promotion and reciprocal protection to be accorded to such investment will stimulate the flow of capital and the economic development of the Contracting Parties;

Agreeing that a stable framework for investments will maximize effective utilization of economic resources and improve living standards;

Understanding that promotion of such investment requests co-operative efforts of the investors of one Contracting Party and the other Contracting Party;

Have agreed as follows:

ARTICLE 1
Definitions

For the purpose of this agreement:

1. The term “investor” means in respect of either Contracting Party:
 - a. a natural person, who is a national of Contracting Party in accordance with its laws and regulations and who makes an investment in the territory of the Contracting Party;

- b. a legal entity which is incorporated under the laws and regulations of that Contracting Party and is the owner, possessor or shareholder of an investment in the territory of the other Contracting Party.
 - c. Government of Contracting Party.
2. The term “investment” means every kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its laws and regulations and shall include in particular:
- a. Movable and immovable property as well as any other rights, such as mortgages, pledges, usufructs and similar rights;
 - b. Stocks, shares and other forms of participation in companies;
 - c. Returns reinvested, debentures, claims to money or any other rights to legitimate performance having financial value related to an investment;
 - d. Intellectual property rights, as defined in the multilateral agreements concluded under the auspices of the World Intellectual Property Organization, in as far as both Contracting Parties are parties to them, including copyrights and related rights, industrial property rights, trademarks, patents, industrial designs and technical processes, rights in plants varieties, know-how, trade secrets, trade names and goodwill;
 - e. Rights to engage in economic and commercial activities conferred by law, by administrative act or by virtue of a contract. Natural resources shall not be covered by this agreement.
 - f. Any change of the form in which assets are invested or reinvested shall not affect their character as an investment.

“Investment” does not include:

- g. Claims to money that arise solely from commercial contracts for the sale of goods or services in the territory of a Contracting Party, to an Investor in the territory of the other Contracting Party;
 - h. Claims to money that arise from credits in connection with commercial transactions;
3. The terms “returns” means income deriving from an investment and includes, in particular, but not exclusively profits, dividends, capital gains, interests, royalties and any other fees.
4. “Measure” means any form of binding action taken by a Contracting Party under any law, rule or regulation and applied directly to an investment.

5. The term “freely convertible currency” shall mean any currency that is widely used in international transactions and is traded in principal exchange markets.
6. The term “without delay” shall mean such period as is normally required for the completion of necessary formalities for the transfer of payments. The said period shall commence on the day on which the request for transfer has been submitted.
7. “UNCITRAL Arbitration Rules” means the arbitration rules of the United Nations Commission on International Trade Law.
8. The term “territory” means in respect to;
 - a. The Republic of Maldives:
 - i. the land, airspace, sea and seabed within the archipelagic baselines of the Maldives drawn in accordance with the law,
 - ii. the territorial sea outside the said baselines and the associated seabed and airspace thereof; and
 - iii. any area outside the territorial sea of Maldives, including the Exclusive Economic Zone and the continental shelf, within which the rights of the Republic of Maldives with respect to the sea, sea-bed, subsoil and their natural resources may be exercised in conformity with the laws of the Republic of Maldives and international law.
 - b. The United Arab Emirates: the territory of the United Arab Emirates, its territorial sea, airspace and submarine areas over which the United Arab Emirates exercises in accordance with international law and the law of United Arab Emirates sovereign rights; including the Exclusive Economic Zone and the mainland and islands under its jurisdiction in respect of any activity carried on in its water, seabed and subsoil in connection with the exploration for or the exploitation of the natural resources by virtue of its law and international law.

ARTICLE 2

Application of the Agreement

1. This Agreement shall only apply to investments made in the territory of either Contracting Party in accordance with their legislation prior to entry into force of this Agreement, as well as investments made thereafter.
2. This Agreement shall not apply to any dispute that arose or to claim that has been settled, prior to its entry into force.

ARTICLE 3

Promotion and encouragement of investments

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.
2. In order to encourage mutual investment flows, each Contracting Party shall endeavor as far as possible to inform the other Contracting Party, at the request of either Contracting party of the investment opportunities in its territory.

ARTICLE 4

Protection of Investments

1. Investments and returns of investors of either Contracting Party made in accordance with its laws and regulations shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.
2. Neither Contracting Party shall hamper, by arbitrary or discriminatory measures, the development, management, use, expansion, sale and if it's the case, the liquidation of such investments.
3. In accordance with its laws and regulations, each Contracting Party shall as far as possible make publicly available, its laws, regulations that pertain to investments.

4. Each Contracting Party shall in accordance with its laws and regulations ensure to investors of the other Contracting Party the right of access to its courts of justice, administrative tribunals and agencies and all other judicial authorities.
5. In case of liquidation of an investment, the proceeds from liquidation shall be accorded the same protection and treatment.

ARTICLE 5

National and Most Favored Nation Treatment

1. Each Contracting Party shall accord in its territory to investments and returns of investors of the other Contracting Party, a treatment no less favourable than that which it accords to investments and returns of its own investors, or to investments and returns of investors of any third State, whichever is more favourable to the investors concerned.
2. Each Contracting Party shall accord in its territory to the investors of the other Contracting Party with regard to acquisition, development, management, maintenance, use, expansion, sale or other disposal of their investment, a treatment which is no less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable to the investors concerned.
3. Neither Contracting Party shall in its territory impose mandatory measures on investments by investors of the other Contracting Party, concerning the purchase of materials, means of production, operation, transport, marketing of its products or similar orders having unreasonable or discriminatory effects. This paragraph shall not apply to measures taken in accordance with the laws and regulations in the course of government procurement of goods and services at any level of the government of the Contracting Party.
4. Notwithstanding any other bilateral investment agreement, the Contracting parties have signed with other States before or after the entry into force of this Agreement, the most favoured nation treatment shall not apply to procedural or judicial matters.

5. The provisions of paragraph 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:
 - a. any existing or future customs union or economic or monetary union, free trade area or similar international agreements to which either of the Contracting Party is or may become a party in the future;
 - b. any international agreement or arrangement, wholly or partially related to taxation.

ARTICLE 6

Compensation for damage or loss

1. When investments made by investors of either Contracting Party suffer loss or damage owing to war or other armed conflict, civil disturbances, state of national emergency, revolution, riot or similar events in the territory of the other Contracting Party, they shall be accorded by the latter Contracting Party treatment, as regards restitution, compensation or other settlement, not less favourable than the treatment that the latter Contracting Party accords to its own investors or to investors of any third State, whichever is more favourable to the investors concerned.
2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party resulting from:
 - a. requisitioning of their investment or part thereof by its forces or authorities;
 - b. destruction of their investment or part thereof by its forces or authorities which was not caused in combat or was not required by the necessity of the situation,

shall be accorded prompt, adequate and effective compensation or restitution for the damage or loss sustained during the period of requisitioning or as a result of destruction of their property. Resulting payments shall be made in freely convertible currency and be freely transferable without delay.

ARTICLE 7
Expropriation

1. A Contracting Party shall not expropriate or nationalize directly or indirectly in its territory an investment of an investor of the other Contracting Party or take any measures having equivalent effect (hereinafter referred to as “expropriation”) except if the following conditions occur simultaneously:
 - a. for a purpose which is in the public interest,
 - b. on a non-discriminatory basis,
 - c. in accordance with due process of law, and
 - d. accompanied by payment of prompt, adequate and effective compensation.
2. Compensation shall amount to the fair market value of the investment expropriated immediately before the expropriation or impending expropriation became known, whichever is the earlier.
3. Where the fair market value cannot be ascertained, the compensation shall be determined in equitable manner taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the investment, replacement, book value and goodwill.
4. Compensation shall be paid without delay, be effectively realizable and freely transferable.
5. An investor of a Contracting Party affected by expropriation carried out by the other Contracting Party shall have the right to prompt review of its case, including the valuation of its investment and the payment of the compensation in accordance with the provisions of this Article, by judicial authority or another competent and independent authority of the latter Contracting Party.
6. Where a Contracting Party expropriates the assets of a legal entity that is constituted in its territory according to its laws and regulations and in which investors of the other Contracting Party participate, it shall

ensure that the provisions of this Article are applied in a way that it guarantees such investors adequate and effective compensation.

ARTICLE 8 Transfers

1. In accordance with its laws and regulations in force in the territory of the Contracting Party, each Contracting Party shall ensure that all payments relating to an investment in its territory of an investor of the other contracting party may be freely transferred into and out of its territory without delay. Such transfers shall include, in particular:
 - a. Initial capital and additional amounts to maintain or increase an investment;
 - b. Returns;
 - c. Payments made under a contract, including repayments pursuant to a loan agreement;
 - d. Proceeds from the sale or liquidation of all or any part of an investment;
 - e. Payments of compensation under Article 5 and 6 of this Agreement;
 - f. Payments under Article 8 of this Agreement;
 - g. Payments arising out of the settlement of an investment dispute;
 - h. Earnings and other remuneration of personnel engaged from abroad in connection with an investment;
 - i. Profits and returns of national airlines.

2. Each Contracting Party shall ensure that the transfers under paragraph 1 of this Article are made without delay and in a freely convertible currency, at the market rate of exchange prevailing on the date of transfer and under the laws and regulations in force in the territory of the Contracting Party where investments have been made. In the absence of a market for foreign exchange, the rate to be used shall be the most recent exchange rate for the conversions of currencies into Special Drawing Rights.

3. Notwithstanding paragraph 1 and 2 of this Article, a Contracting Party may in accordance with its laws and regulations, in good faith and in equitable and non-discriminatory manner, temporarily prevent the transfers to apply its laws and regulations relating to:

- a. protection of creditors in bankruptcy proceedings; and
- b. criminal offences.

ARTICLE 9

Subrogation

1. If one Contracting Party or its designated agency (for the purpose of this Article: the “guarantor”) makes a payment under an indemnity given in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize:
 - a. the assignment to the guarantor by law or by legal transaction of all the rights and claims of the party indemnified; and
 - b. that the guarantor is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party indemnified, and shall assume the obligations related to the investment.

2. The guarantor shall be entitled in all circumstances to:
 - a. the same treatment in respect of the rights, claims and obligations acquired by it, by virtue of the assignment; and
 - b. any payment received in pursuance of those rights and claimsas the party indemnified was entitled to receive it by virtue of this Agreement, in respect of the investment concerned and its related returns.

3. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

4. Notwithstanding paragraph 1 of this Article, subrogation shall take place in the Contracting Party only after the approval of the competent authority of that Contracting Party.

ARTICLE 10

Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations.
2. If a dispute under paragraph 1 of this Article cannot be settled within six months it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.
3. Such arbitral tribunal shall be constituted ad hoc basis as follows: Each Contracting Party shall appoint one arbitrator and these two arbitrators shall agree upon a national of a third State as their chairman to be appointed by the two Contracting Parties. Such arbitrators shall be appointed within two months from the date one Contracting Party has informed the other Contracting Party of its intention to submit the dispute to an arbitral tribunal, and the chairman shall be appointed within two months following the appointment of the two arbitrators.
4. If the periods specified in paragraph 3 of this Article are not observed, either Contracting Party may, in the absence of any other relevant arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of either of the Contracting Parties or if he is otherwise prevented from discharging the said function, the Vice - president or in case of his inability the member of the International Court of Justice next in seniority according to the Rules of the Court should be invited under the same conditions to make the necessary appointments.
5. The arbitral tribunal shall establish its own rules of procedure.
6. The arbitral tribunal shall reach its decision on the basis of the present Agreement and applicable rules of international law. It shall reach its decision by a majority of votes; the decision shall be final and binding.
7. Each Contracting Party shall bear the costs of its own member and of its legal representation in the arbitration proceedings. The costs of the chairman and the remaining costs shall be borne in equal parts by both

Contracting Parties. The tribunal may, however, in its award determine another distribution

ARTICLE 11

Settlement of disputes between a Contracting Party and an investor of the other Contracting Party

1. If an investor that has a dispute with a Contracting Party should initially attempt to settle it through consultations and negotiations.
2. To start negotiations, the investor shall deliver to the Contracting Party a written notice. The notice shall specify:
 - a. The name and address of the disputing investor;
 - b. The provisions of this Agreement alleged to have been breached;
 - c. The factual and legal basis for the claim; and
 - d. The remedy sought and the amount of damages claimed, if any.
3. If the dispute cannot be settled amicably within three months from the moment of receipt of the written notice, it shall be submitted to the competent authority of that Contracting Party or arbitration centers thereof, for conciliation.
4. If the dispute cannot be settled amicably within three months from the date of the start of the conciliation process referred to in paragraph 3, the dispute shall, at the request of the investor, be submitted to one of the following dispute settlement mechanisms:
 - a. by a competent court of the Contracting Party in whose territory the investment is made; or
 - b. by arbitration by the international Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington on 18th March 1965. In case of arbitration, each Contracting Party, by this Agreement irrevocably consents in advance, even in the absence of an individual arbitral agreement between the Contracting Party and the investor, to submit any such dispute to this Centre. This consent implies the renunciation of the requirement that the internal administrative or judicial remedies should be exhausted; or
 - c. by arbitration by three arbitrators in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law

(UNCITRAL), in force at the time of the commencement of the dispute. In case of arbitration, each Contracting Party, by this Agreement irrevocably consents in advance, even in the absence of an individual arbitral agreement between the Contracting Party and the investor, to submit any such dispute to the tribunal mentioned.

5. At any stage of the proceedings the investors and the host State may withdraw the case if they agree on any other mode of settlements in connection with the dispute.
6. The award shall be final and binding. Each Contracting Party shall ensure the recognition and enforcement of the arbitral award in accordance with its laws and regulations.
7. A Contracting Party which is a party to a dispute shall not, at any stage of conciliation or arbitration proceedings or enforcement of an award, raise the objection that the investor who is the other party to the dispute has received an indemnity by virtue of an insurance in respect of all or part of its losses.
8. When the investor and any designated entity of a Contracting Party or its local government have concluded an agreement concerning the investments of the investor, the dispute settlement procedure stipulated therein shall apply.

ARTICLE 12

Application of other rules

Without prejudice to Article 4, if the legislation of either Contracting Party or obligations between the Contracting Parties under international law existing at present or established hereafter between the Contracting Parties, in addition to this Agreement, contain rules whether general or specific, entitling investments made by investors of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such rules shall to the extent that they are more favourable to the investor, prevail over this Agreement.

ARTICLE 13

Consultation

The Contracting Parties shall, on the request of either, hold consultations on any matter relating to the implementation or application of this Agreement. These

consultations shall be held on the proposal of one of the Contracting Parties at a place and a time to be agreed upon through diplomatic channels.

ARTICLE 14

Limitation of benefits

1. Benefits of this Agreement shall not be available to :
 - i- an investor of a Contracting Party, if the main purpose of the acquisition of the nationality of that Contracting Party was to obtain benefits under this Agreement that would not otherwise be available to the investor;
 - ii- an investor who does not conduct substantial business activities in the territory of the other contracting party.
 - iii- legal entities owned or controlled by investors that the other Contracting Party has no diplomatic relations with.
2. Prior to denying the benefits of this Agreement, the denying Contracting Party shall notify the other Contracting Party.

ARTICLE 15

Entry into force, amendments, duration and termination

1. This Agreement shall enter into force on the date of receipt of the latter notification through diplomatic channels by which either Contracting Party notifies the other Contracting Party that its internal legal requirements for the entry into force of this Agreement have been fulfilled.
2. This Agreement may be amended in writing by the mutual consent of the Contracting Parties. Such amendments shall enter into force according to the same procedure as the Agreement.
3. This Agreement shall remain in force for a period of ten years and thereafter it shall be deemed to have been automatically extended for a similar period unless , either Contracting party notifies in writing the other Contracting Party of its intention to terminate this Agreement. The notice of termination shall become effective one year after the date of notification.

4. In respect of investments made prior to the date when the termination of this Agreement becomes effective, the provisions of this Agreement shall continue to be effective for a period of ten years from the date the termination of this Agreement became effective.
5. This Agreement shall apply irrespective of the existence of diplomatic or consular relations between the Contracting Parties.

In witness whereof, the undersigned duly authorized have signed this Agreement.

Done at Dubai, on 17 of October 2017, in duplicate, in the Arabic and English languages, all two texts being equally authentic. In a case of divergence of interpretation, the English text shall prevail.



FOR

**THE GOVERNMENT OF THE
REPUBLIC OF MALDIVES**

His Excellency Mohamed Saeed
Minister of Economic Development



FOR

**THE GOVERNMENT OF THE
UNITED ARAB EMIRATES**

His Excellency Obaid Humaid Altayer
Minister of State for Financial Affairs