
STATES OF JERSEY



NOTIFICATION OF THE CONCLUSION OF THE BILATERAL AGREEMENT FOR THE PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF JERSEY AND THE GOVERNMENT OF THE UNITED ARAB EMIRATES

**Presented to the States on 20th January 2023
by the Minister for External Relations and Financial Services**

STATES GREFFE

REPORT

Introduction

This Report is presented to the States Assembly to notify Members of the conclusion of the Bilateral Agreement for the Promotion and Protection of Investments between the Government of Jersey and the Government of the United Arab Emirates, commonly referred to as “the Jersey-UAE Bilateral Investment Treaty” and described herein as “the Jersey-UAE BIT” or simply “the treaty”.

The Report contains:

i) Background to Bilateral Investment Treaties	3
ii) Government of Jersey policy on Bilateral Investment Treaties.....	4
iii) The negotiation of the Jersey-UAE BIT	6
iv) Key provisions of the Jersey-UAE BIT	7
v) Procedure for the entry into force of the Jersey-UAE BIT.....	8
vi) Financial and resource implications	10

The final text of the signed Jersey-UAE BIT is attached as Appendix 1 to this Report.

MINISTER FOR EXTERNAL RELATIONS AND FINANCIAL SERVICES
20 January 2023

i) Background to Bilateral Investment Treaties

A Bilateral Investment Treaty is a binding international agreement, between two jurisdictions, which is designed to protect, promote and liberalise cross-border investment. These agreements are limited in nature and do not cover broader trade issues, such as tariffs or regulatory alignment, which in general are instead governed by Free Trade Agreements or similar such treaties.

Bilateral Investment Treaties – or Investment Promotion and Protection Agreements as they can also be referred to – have existed for over six decades. The first such agreement was signed between West Germany and Pakistan in 1959. By the 1990s and early 2000s, they had become an integral part of the international investment strategy of almost every major economy, being seen as a pre-requisite to protect growing financial flows between capital-exporting and capital-importing jurisdictions.

As of 31 December 2022, 2850 Bilateral Investment Treaties have been signed globally with China (125), Germany (120) and Turkey (117) the countries with the largest individual networks. The agreements have proven particularly popular with jurisdictions that maintain successful centres for trade-in-services; the UK, Switzerland and the United Arab Emirates each boast 100+ treaties, whilst Luxembourg (83), Qatar (62), and Mauritius (42) can also promote themselves through their sizeable networks.

For balance, it should be noted that some jurisdictions such as New Zealand (4) and Iceland (8) have looked to other methods – such as the inclusion of investment provisions within their Free Trade Agreements – instead of the widespread pursuit of Bilateral Investment Treaties.

Jurisdictions entering into Bilateral Investment Treaties agree to adhere to a set of specific standards that establish the terms and conditions for the qualifying investors of one jurisdiction to make investments into the other jurisdiction.

If an investor believes that the other jurisdiction (which hosts their investment) has not abided by these terms and conditions, the investor can, through the treaty, exercise a powerful right of action via the agreed independent arbitration mechanism. This protection is a key feature of Bilateral Investment Treaties and serves as an alternative to using local courts in the host jurisdiction in order to resolve the dispute.

Bilateral Investment Treaties can contribute to facilitating cross-border investment in several ways. By committing both jurisdictions to the principles of ‘Fair and Equitable Treatment’ and ‘Most Favoured Nation’, these agreements can help ensure that qualifying foreign investors can enjoy at least the same benefits and concessions as would investors of the host jurisdiction itself, or indeed the investors of any other country who are operating in that jurisdiction.

Bilateral Investment Treaties also seek to liberalise the environment for investment between the two jurisdictions, including obligations to allow foreign investors to transfer their investments and returns out of the host jurisdiction freely and without delay.

Importantly, Bilateral Investment Treaties are designed to provide these additional protections and benefits to foreign investors whilst preserving without doubt the host jurisdictions' right to regulate and manage their domestic economies. The agreements generally stipulate that the benefits of the agreement can be denied to foreign investors in certain circumstances (such as in accordance with sanctions regimes), whilst they also seek to avoid placing onerous new commitments upon industry or regulators.

Application of Bilateral Investment Treaties in Jersey

There are three routes by which the provisions in Bilateral Investment Treaties (or equivalent agreements) can apply to Jersey.

Firstly, Jersey may have extended to it one of the UK's own treaties with another country. This is undertaken at Jersey's request and is enabled through an Exchange of Letters between the UK and the other signatory party. At present, Jersey has agreed to the extension of 37 of the UK's Bilateral Investment Treaties.¹

Secondly, Jersey may choose to participate in a qualifying UK Free Trade Agreement (FTA) with a third country (or countries), which contains equivalent investor protections. Such provisions would be included in the services chapters of a Free Trade Agreement and, based on Jersey's involvement in the UK's post-Brexit FTAs thus far, remains therefore untested in practice at this stage. This option is most likely to be beneficial in a situation where the UK has concluded an FTA with a partner jurisdiction(s) with whom Jersey has not had the existing UK Bilateral Investment Treaty extended, and where it is considered very challenging for Jersey to negotiate its own bilateral treaty with the jurisdiction(s).

Thirdly, Jersey may negotiate its own Bilateral Investment Treaty with a third country subject to receiving the UK's prior permission (formally known as 'Entrustment'). This is the scenario in the case of the Jersey-UAE BIT, which would be Jersey's first such agreement, and it therefore represents an important moment in the development of the island's distinct international personality. Thus far, Jersey has also secured from the UK the permission to negotiate its own Bilateral Investment Treaties with Ghana and Rwanda, and will be seeking further agreements based on political and commercial priorities.

ii) Government of Jersey policy on Bilateral Investment Treaties

The Common Policy for External Relations, as approved by the Council of Ministers on 15th November 2022 and presented to the States Assembly on 22nd November 2022, states that one of the core principles of the Government's international engagement will be to:

¹ The 37 extended UK BITs were agreed with the following jurisdictions: Antigua & Barbuda, Bangladesh, Belize, Bolivia, Cameroon, Dominica, Grenada, Guyana, Honduras, Hungary, Indonesia, Jamaica, Jordan, Kazakhstan, the Republic of Korea, Latvia, Lesotho, Malaysia, Malta, Mauritius, Mongolia, Nepal, Pakistan, Panama, Papua New Guinea, Philippines, Romania, Senegal, Singapore, St Lucia, Swaziland, Thailand, Trinidad & Tobago, Tunisia, Turkmenistan, Uzbekistan and Yemen

“Serve Jersey's best economic interests by promoting a strong, diversified and internationally-connected economy, safeguarding its competitive position as a platform for global business and promoting growth through trade and investment” (p3).

In this context, the Common Policy also recognises the importance of developing the Island’s relationships with priority partners overseas through the expansion of its treaty network:

“Acknowledging [...] that Jersey also has the right under individual entrustments to negotiate and conclude Bilateral Agreements for the Promotion and Protection of Investments” (p2)

“[...] Jersey will work to develop its own bilateral partnerships outside the United Kingdom and European Union, including through the negotiation and conclusion of its own international agreements under entrustment” (p7)

Over many years, the Government of Jersey has through the Ministry of External Relations implemented a strategy to establish treaty partnerships with key international partners, including through the Global Relations strategy.

Alongside Double Taxation Agreements, which create tax certainty for businesses and individuals, the pursuit of Bilateral Investment Treaties forms a key pillar of this work to enhance opportunities for trade and investment into, from, and through Jersey.

It is hoped that developing Jersey’s network of Bilateral Investment Treaties can serve to:

- 1) Protect outbound investments made by Jersey investors;
- 2) Encourage direct investment into Jersey from a range of global sources;
- 3) Highlight Jersey’s connectivity as a legitimate treaty partner; and
- 4) Reduce the risk of Jersey losing business to other trade-in-services centres.

Given the scale and breadth of outbound investment from Jersey, it is pivotal for the Island’s investor community to be well-protected against risks such as warfare, corruption, expropriation or capital controls. Through investor-state and state-state dispute settlement procedures, Bilateral Investment Treaties provide strong protections from which Jersey investors, by default, do not otherwise benefit.

Bilateral Investment Treaties support foreign direct investment into Jersey, thereby supporting the domestic jobs and growth agenda, by improving the Island’s attractiveness as a recipient of capital from a wider set of global sources. By providing certainty of treatment to qualifying foreign investors, the agreements are often considered a pre-requisite for major and long-term international investment in capital-intensive sectors such as infrastructure, housing, and renewable energy.

More generally, Bilateral Investment Treaties can offer wider advantages to support the Island’s global reach and connectivity. One such example is Jersey’s growing relationship with Ghana – a partnership which began with Ghana’s approach to Jersey

to negotiate a Bilateral Investment Treaty (where discussions have progressed well) – and which has now deepened and diversified to include negotiations over a Double Taxation Agreement.

Lastly, Jersey's pursuit of Bilateral Investment Treaties can also reduce the risk of the Island missing out on investment opportunities – inbound and outbound – due to other global trade-in-services centres utilising the promotional benefits of their larger treaty networks. Global legal firms and intermediaries have confirmed that Bilateral Investment Treaties are an important component of client decisions when seeking to mitigate risk through treaty protections.

iii) The negotiation of the Jersey-UAE BIT

To guide its negotiations, the Government of Jersey has a modern and robust model treaty, which was developed in tandem with the UK Government and expert legal advice. The model acts as the basis for negotiations with treaty partners and it draws heavily on provisions in the EU-Canada Trade Agreement (CETA) of 2016, which is considered a best in class.

The United Arab Emirates (UAE) originally requested a Bilateral Investment Treaty with Jersey at the time of the negotiation of the Jersey-UAE Double Taxation Agreement, signed in 2016. The Government of Jersey was supportive of this request, given that Jersey and the UAE maintain a mature relationship encompassing political dialogue, regulatory cooperation, and importantly a high degree of commercial activity driven by strong people-to-people and business links.

Jersey Finance has its largest overseas office in Dubai, reflecting the UAE's regional primacy across a range of key commercial sectors, while dozens of Island firms have a physical presence in either Abu Dhabi or Dubai – greater than the rest of the Gulf region combined. This existing network can provide an ideal platform for Jersey to promote its Bilateral Investment Treaty with the UAE and facilitate increased commercial opportunities in one of Jersey's most active overseas markets.

In addition to offering protections to outbound Jersey investment, it is hoped that the conclusion of the treaty may help to drive foreign direct investment into Jersey from the UAE, which is pursuing an ambitious programme of international capital allocation through its five sovereign wealth funds that are, collectively, custodian of over \$1.4 trillion of global assets. The presence of an existing treaty relationship between Jersey and the UAE, following the conclusion of the Double Taxation Agreement in 2016, provides an added incentive to conclude the Bilateral Investment Treaty in order to promote and liberalise investment opportunities between the two jurisdictions.

In 2018 the Government of Jersey received permission, formally referred to as a Letter of Entrustment, from the UK Government to commence negotiations with the UAE. Good progress through 2019 was followed by the disruptive impact of the Covid-19 pandemic in early 2020, after which negotiations were paused. Negotiations resumed in January 2021 and a final text was agreed, following approval by Jersey Law Officers and the UK Government, in October 2021.

The treaty was signed in Dubai, UAE, on 9th November 2021 by the then-Minister for External Relations and Financial Services alongside the UAE's Minister of State for Financial Affairs, His Excellency Mohammed bin Hadi Al Hussaini.

Through Federal Decree (48) of 11th April 2022, the UAE confirmed that it had completed its domestic procedures for the ratification of the treaty, which will enter force upon the completion of equivalent procedures in Jersey.

iv) Key provisions of the Jersey-UAE BIT

The Jersey-UAE BIT aligns with international best practice and can be recognised as a modern, future-proof agreement that closely follows the Jersey model treaty. As with every such treaty, the chief purpose of the agreement is to establish the terms and conditions for private investment by nationals and companies of one jurisdiction in the other.

The format of the treaty is consistent with global standards, opening with preambular language which reaffirms the shared objectives of both parties, followed by articles covering the legal boundaries of the treaty through definitions (Article 1) and the treatment that investors of Jersey or the UAE can expect in the other jurisdiction (broadly Articles 2-9).

The treaty not only obligates Jersey and the UAE to provide these protections to investors of other party, but also creates a powerful private right of action for investors – collectively known as ‘Investor-State Dispute Settlement’ or ‘ISDS’ mechanisms (Article 14) – which can be brought against the host government if it fails to meet those obligations. The treaty's dispute settlement procedures can be considered best in class because they provide investors with recourse to a verified ‘menu’ of arbitration routes including the UN Commission on International Trade Law and the London Centre for International Arbitration.

Given the established regulatory environments governing investment in both Jersey and the UAE, and the broadly similar, liberalised economic models pursued by both jurisdictions, it is unlikely that such action will be brought and it is hoped that the treaty will never be required for this purpose. However, the Jersey-UAE BIT nonetheless provides a ‘safety net’ for investors against a range of feasible threats or actions, including State-led expropriation, capital controls, unilateral judicial action or the impact of wider political events such as coups, warfare or corruption.

In addition to establishing arbitration mechanisms and guiding the rules that govern them, the treaty provides favourable treatment to Jersey investments into the UAE, and vice versa. By committing host jurisdictions to treat qualifying foreign investors no less favourably than it would their own investors, the Jersey-UAE BIT removes potential barriers to investment, including foreign direct investment into Jersey by the UAE as part of the Government's efforts to secure long-term growth and employment opportunities on the Island.

Whilst being investor-friendly, the agreement also preserves Jersey's competencies across key policy areas. For example, all matters relating to taxation, the operation of

trusts, and any provisions contained within or deriving from the Control of Housing and Work (Jersey) Law 2012 are explicated excluded from scope. The treaty also clearly states that Jersey maintains the right to deny the benefits of the treaty in circumstances to otherwise qualifying UAE investors, for instance in line with Jersey's sanctions regime.

As an instrument to promote bilateral investment, the treaty reconfirms both parties' commitment to sustainable economic development, including support for labour rights and environmental protections.

The Jersey-UAE BIT does not impose any new regulatory or technical burdens on industry, who have been consulted during the development of the Government of Jersey's approach to Bilateral Investment Treaties. The treaty does not require any new domestic legislation to enter into force in Jersey – as explained below.

v) Procedure for the entry into force of the Jersey-UAE BIT

Context

The Jersey-UAE BIT was signed by the Minister for External Relations and Financial Services on 9th November 2021, in accordance with the provisions of Regulation 3 of the States of Jersey (Minister for External Relations and Financial Services) (Jersey) Regulations 2013 with respect to Article 18(3)(b) of the States of Jersey Law 2005, and in line with the Common Policy for External Relations.

Unlike the domestic procedures required for other international agreements, such as Double Taxation Agreements, it is not necessary for an Order to be made enabling the entry into force of a Bilateral Investment Treaty in Jersey. This is because Bilateral Investment Treaties, while binding under international law, do not require new legislation to support their implementation in Jersey. Instead, Bilateral Investment Treaties represent a set of commitments – akin to a contract – between the respective governments to promote and protect foreign direct investment in the signature jurisdictions; commitments which can be upheld through the dispute resolution mechanisms contained within the treaty in the event of an alleged breach.

As such, it is globally commonplace for Bilateral Investment Treaties, or equivalent agreements, to be ratified through a negative consent procedure, such as in the United Kingdom, Australia and Canada.

It should also be noted that there is good precedent in Jersey for negative consent procedures that include a 'cooling off' period before an Executive function is discharged. One example can be found in the Standing Orders of the States of Jersey, and specifically SO No.168 governing the procedure for land transactions. For identified transactions, there is a requirement for the Minister for Infrastructure to present reports to the Assembly and to allow a determined period before any contracts can be agreed. Another example relates to the States of Jersey (Appointment Procedures) (Jersey) Law 2018, whereby notice must be provided to the Assembly, and a period of time allowed afterwards, before certain appointments can take effect.

The Law Officers' Department has advised that the confirmed process for the conclusion and entry into force of Bilateral Investment Treaties in Jersey, outlined below, is therefore consistent and proportionate. External Relations has also engaged comprehensively with the States Greffe, the Privileges and Procedures Committee, and the Economic and International Affairs Scrutiny Panel to assist the facilitation of the new procedure within States business.

The procedure for entry into force

The procedure stipulates that, following the signing of a Bilateral Investment Treaty, the Council of Ministers is presented with the treaty and is asked to agree to the empowered Minister completing the necessary steps, including the presentation of a Report to the States Assembly, to enable the entry into force of the treaty. In parallel, the original treaty text is provided to the States Greffe for transmission to the archival record.

Subject to the approval of the Council of Ministers, briefings on the treaty are offered to the relevant Scrutiny Panel and subsequently to all Members of the States Assembly. The entry into force of the Bilateral Investment Treaty is then executed through two Ministerial Decisions and accompanying Reports.

The first Ministerial Decision presents to the States Assembly the treaty as signed and as approved by the Council of Ministers. The first Decision notifies the States Assembly of the conclusion of the treaty and initiates a 14-working-day period during which States Members may raise views on it.

At the end of the above period – provided no issues have arisen that the empowered Minister determines should prevent the Bilateral Investment Treaty's entry into force – Jersey's procedure enabling the entry into force of the treaty is complete. The empowered Minister then writes to the other signatory party to confirm this.

If Jersey is the first of the two jurisdictions to complete its domestic procedures, the treaty's entry into force can only occur once the other signatory party has provided written notification to Jersey that it has completed its own domestic procedures. If Jersey is the second of the two jurisdictions to complete its domestic procedures, the treaty enters into force upon the confirmation by the other signatory party that it has received written communication from the empowered Jersey Minister that Jersey has completed its domestic procedures.

Once the treaty is in force, a second Ministerial Decision is signed confirming the date of entry into force. Finally, copies of the treaty are separately uploaded to the Government of Jersey's online treaty database and conveyed to the UN treaty database.

In relation to the Jersey-UAE BIT, the Decision to which this Report is appended constitutes the first Decision of the above procedure, and follows the completion of the relevant previous stages of the procedure for the treaty. On 20th December 2022 the Council of Ministers agreed to the Minister for External Relations and Financial Services completing the necessary steps to enable the entry into force of the Jersey-UAE BIT.

Briefings on the treaty were provided to the Economic and International Affairs Scrutiny Panel on 13th January 2023 – which followed briefings with the Panel prior to the signature of the treaty in November 2021 – and to all available States Members on 20th January 2023.

This Decision initiates a 14-working-day period during which Members can raise views on the conclusion and entry into force of the Jersey-UAE BIT. The period will end at 17.00 (GMT) on Thursday 9th February 2023.

Given that the UAE has already completed its domestic procedures to enable the entry into force of the treaty, as confirmed in UAE Federal Decree (48) of 11th April 2022, and subject to the resolution of any issue raised as described above, the Jersey-UAE BIT will enter into force shortly after the conclusion of the 14-working-day period upon the exchange of the relevant Ministerial correspondence.

vi) Financial and resource implications

There are no implications expected for the financial and other resources of the States arising from the conclusion of the treaty.

Appendix 1 – The Jersey-UAE Bilateral Investment Treaty

**BILATERAL AGREEMENT FOR THE PROMOTION AND PROTECTION OF
INVESTMENTS BETWEEN THE GOVERNMENT OF JERSEY AND THE GOVERNMENT OF THE
UNITED ARAB EMIRATES**

The Government of Jersey and the Government of the United Arab Emirates (each a "**Contracting Party**", together the "**Contracting Parties**");

Desiring to strengthen economic relations between the Contracting Parties and facilitate increased flows of investments from investors of one Contracting Party in the territory of the other Contracting Party;

Recognising that the protection of investments is conducive to enhancing international investments and to sustainable economic development;

Seeking to raise living standards, promote economic growth and stability, and create new employment opportunities by liberalising and expanding flows of investment between the Contracting Parties;

Aware that these objectives can be realised in a way that is consistent with the right to regulate of the Governments of the Contracting Parties and considerations of public health, safety, the environment, and labour protections;

Have agreed as follows:

**ARTICLE 1
DEFINITIONS**

For the purposes of this Agreement:

1. "**investment**" means an asset owned or controlled, directly or indirectly, by an investor that has the characteristics of an investment, including a contribution of capital or other resources, the expectation of gain or profit and the assumption of risk. An investment may take the form of one or more of the following non-exclusive list of assets admitted in accordance with the laws of the Contracting Party into which the investment is made:
 - (a) shares, stock and any other form of equity participation in a company;
 - (b) bonds, debentures and other debt instruments;
 - (c) movable and immovable property as well as leases, mortgages, liens or pledges and any other property rights;
 - (d) loans;
 - (e) claims to money or to any performance under contract having an economic value;
 - (f) intellectual property rights, including, among others, copyrights and related rights, and industrial property rights such as patents, technical processes, manufactures' brands and trademarks, trade names, industrial designs, and know-how;
 - (g) business concessions granted by law, administrative acts or under contracts including concessions to explore, grow, extract or exploit natural resources.

but does not include:

- (h) claims to money arising solely from the following assets, unless they form a part of assets that cumulatively have the characteristics of an investment:

- (i) commercial contracts for the sale of goods or services; or
- (ii) loans or credits granted in relation to a trade financing transaction,

for greater certainty:

- (i) a change in the manner or form in which assets have been invested or re-invested shall not affect their status as investments under this Agreement, provided that the assets still fall within the definition contained in this Article and the investment is made in accordance with the law of the Contracting Party in whose territory the investment was admitted.
2. "**investor**" means a person who has made an investment in the territory of the other Contracting Party and is either:
 - (a) a Contracting Party,
 - (b) in relation to Jersey, natural persons who are ordinarily resident in Jersey,
 - (c) in relation to the United Arab Emirates, natural persons deriving their status as United Arab Emirates nationals from the law in force in the United Arab Emirates, or
 - (d) legal persons, including corporations, firms, associations and partnerships incorporated, established or formed in accordance with the law in force in the territory of a Contracting Party, whether privately or governmentally owned or controlled, and which have substantial business activities in the territory of the Contracting Party in which it has been established or formed;
 3. "**ICSID**" means the International Centre for Settlement of Investment Disputes.
 4. "**ICSID Convention**" means the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, 18 March 1965.
 5. "**ICSID Additional Facility Rules**" means the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes.
 6. "**LCIA Arbitration Rules**" means the London Court of International Arbitration Rules.
 7. "**returns**" means the amounts yielded by an investment and includes in particular, but not exclusively, profits, dividends and interest, capital gains, royalties and fees.
 8. "**territory**" means:
 - (a) In respect of Jersey: the Bailiwick of Jersey, and the territorial sea adjacent to the Bailiwick of Jersey;
 - (b) In respect of the United Arab Emirates: the United Arab Emirates and, when used in a geographical sense, means the territory of the United Arab Emirates which is under its sovereignty as well as the area outside the territorial water, airspace and submarine areas over which the United Arab Emirates exercises sovereign and jurisdictional rights in respect of any activity carried on in its water, sea bed or subsoil in connection with the exploration for or the exploitation of natural resources by virtue of its law and international law;
 9. "**UNCITRAL Arbitration Rules**" means the United Nations Commission on International Trade Law Arbitration Rules.
 10. "**UNCITRAL Transparency Rules**" means the UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration.

11. **"New York Convention"** means the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 10 June 1958).

ARTICLE 2 MINIMUM STANDARD OF TREATMENT

1. Each Contracting Party shall accord fair and equitable treatment and full protection and security in its territory to investments of investors of the other Contracting Party in accordance with the customary international law minimum standard of treatment of aliens.
2. The concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens.
3. For greater certainty, "full protection and security" means physical protection and security.

ARTICLE 3 EXPROPRIATION

1. Investments of investors of a Contracting Party in the territory of the other Contracting Party shall not be subject to nationalisation, or any form of direct or indirect expropriation, including any measure having similar effects, except:
 - (a) for a public purpose;
 - (b) in a non-discriminatory manner;
 - (c) in accordance with due process of law; and
 - (d) accompanied by prompt, adequate and effective compensation.
2. The determination of whether a measure or series of measures constitutes an expropriation shall be made following a fact-based inquiry with reference to the character and economic impact of the measure or measures. Good faith regulation for legitimate public purposes which is carried out in a non-discriminatory and proportionate manner will not ordinarily constitute an expropriation.
3. The compensation referred to in Paragraph 1 of this Article shall amount to the fair market value of the investment at the time immediately before the expropriation, or immediately before the expropriation became public knowledge, whichever is the earlier.
4. Without prejudice to the provisions of Article 14 an investor whose investment is subject to an expropriation shall have a right of access to the courts of justice or administrative tribunals or agencies of the Contracting Party in whose territory the investment was made to seek a prompt review of such expropriation and the amount of compensation in accordance with the principles set out in this article.
5. The fair market value will be calculated in a freely convertible currency. The compensation shall include interest at a commercial rate fixed in accordance with market criteria for that currency, accrued from the date of expropriation until the date of payment. The compensation shall be paid without delay, be fully realisable and freely transferable.

**ARTICLE 4
NATIONAL TREATMENT**

Each Contracting Party shall treat investors of the other Contracting Party and their investments no less favourably than it treats, in like circumstances, its own investors and their investments in areas such as conduct, management, operation, maintenance, use, sale, and/or disposal of investments.

**ARTICLE 5
MOST FAVOURED NATION TREATMENT**

1. Each Contracting Party shall treat investors of the other Contracting Party and their investments no less favourably than it treats, in like circumstances, investors and investments of a non-Contracting Party.
2. The treatment to be accorded in like circumstances referred to in paragraph 1 of this Article does not encompass mechanisms for the settlement of investment disputes which are provided for in other treaties, agreements, or sources.
3. The provisions of this Agreement shall not be construed to oblige one Contracting Party to extend to investors of the other Contracting Party the benefits of any treatment, preference or privilege, resulting from:
 - (a) any existing or future customs, economic or monetary union, a common market or a free trade area or similar international agreement which may apply to either of the Contracting Parties, and includes the benefit of any treatment, preference or privilege resulting from obligations arising out of an international agreement or reciprocity arrangement of that customs, economic or monetary union, common market or free trade area; or
 - (b) any international agreement, arrangement or domestic legislation relating to taxation, including on information exchange.

**ARTICLE 6
COMPENSATION FOR DAMAGES OR LOSSES**

Investors of a Contracting Party whose investments in the territory of the other Contracting Party suffer losses due to war, armed conflict, revolution, state of national emergency, insurrection, riot, civil disturbance or other similar events, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any non-Contracting Party.

**ARTICLE 7
FREE TRANSFER OF INVESTMENTS AND RETURNS**

1. Each Contracting Party shall allow the free transfers of investments and returns without delay in a freely convertible currency. Such transfers include, but are not limited to:
 - (a) investments and returns, as defined respectively in Article 1 of this Agreement;
 - (b) claims to money related to the investment;

- (c) capital contributions for maintaining, increasing and developing the investment;
 - (d) payments made under a contract, including loans;
 - (e) payments arising out of a dispute;
 - (f) proceeds from the sale of all or any part of the investment, or from the partial or complete liquidation of the investment; and
 - (g) salaries and remuneration of personnel in connection with the investment.
2. Transfers shall be made in conformity with the market exchange rate on the day of transfer, in accordance with the law of the Contracting Party in whose territory the investment was made.
3. Notwithstanding the provisions of this Article, a Contracting Party may condition or prevent a transfer through the equitable, non-discriminatory and good faith application of its laws relating to:
- (a) bankruptcy proceedings, company restructuring or insolvency;
 - (b) compliance with judicial, arbitral or administrative decisions and awards;
 - (c) criminal offences or civil penalties;
 - (d) financial reporting or record keeping in connection with financial regulation requirements or law enforcement; or
 - (e) compliance with tax obligations.

ARTICLE 8 SUBROGATION

If a Contracting Party or its agency makes a payment to any of its investors under an insurance arrangement for non-commercial risk, the other Contracting Party shall recognise the validity of subrogation in favour of the former Contracting Party or its agency of rights or claims held by the investor.

ARTICLE 9 PROHIBITION OF PERFORMANCE REQUIREMENTS

1. A Contracting Party may not impose or enforce on investors of the other Contracting Party any performance requirement in connection with the management, conduct or operation of their investments in the territory of that Contracting Party. In particular, a Contracting Party shall not impose or enforce a requirement:
- (a) to export a given level or percentage of a good or service;
 - (b) to achieve a given level or percentage of domestic content;
 - (c) to purchase, use or accord a preference to a good produced or service provided in its territory, or to purchase a good or service from a person in its territory;
 - (d) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with the investment;
 - (e) to restrict sales of a good or service in its territory that the investment produces or provides by relating those sales to the volume or value of its exports or foreign exchange earnings;
or

- (f) to transfer technology, a production process or other proprietary knowledge to a person in its territory.

ARTICLE 10 RIGHT TO REGULATE

1. Each Contracting Party reaffirms its right to regulate in the public interest within its territory in order to realise legitimate policy objectives in areas relating to public health, safety, the environment, and labour protections, and in a manner that is non-discriminatory and non-arbitrary.
2. Non-discriminatory and proportionate regulatory measures by a Contracting Party will not ordinarily constitute a breach of standards in this Agreement.

ARTICLE 11 FINANCIAL SERVICES

Nothing in this Agreement shall prevent a Contracting Party or its financial or regulatory authorities from taking or maintaining measures relating to financial services for prudential or conduct reasons, including for the protection of users of financial services and to maintain the integrity and stability of the financial system.

ARTICLE 12 EXCEPTIONS

1. This Agreement shall not preclude a Contracting Party from adopting measures that it reasonably considers are necessary:
 - (a) for the protection of its essential security interests;
 - (b) to ensure compliance with laws and regulations relating to anti-money laundering or combating the financing of terrorism; or
 - (c) to ensure compliance with laws and regulations relating to financial sanctions.
2. Where, in exceptional circumstances, payments and capital movements cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy regarding either Contracting Party, the Contracting Party concerned may take safeguard measures with regard to payments and capital movements. Such measures should be consistent with the Articles of Agreement of the International Monetary Fund. Such measures shall be temporary, non-discriminatory, of general application, not arbitrary and shall not exceed what is necessary to deal with the difficulties.

ARTICLE 13 DENIAL OF BENEFITS

1. A Contracting Party may deny the benefits of this Agreement to an investor of a Contracting Party and to investments of such an investor if the investor is owned or controlled by legal entities or natural persons of a third Party with respect to whom the denying Contracting Party adopts or maintains prohibitive measures or measures that would be violated or circumvented if the benefits of this Agreement were accorded to the investor or its investments.

2. Notwithstanding any other provision of this Agreement, the benefits of this Agreement shall not be available to an investor of a Contracting Party and investments of such an investor if the investor is owned or controlled by a legal or natural person or persons of a non-Contracting Party and that investor has no substantial business activities in the territory of a Contracting Party under whose law it is constituted or organized.

ARTICLE 14

SETTLEMENT OF DISPUTES BETWEEN AN INVESTOR OF A CONTRACTING PARTY AND THE OTHER CONTRACTING PARTY

1. An investor of a Contracting Party shall attempt to settle a dispute with the other Contracting Party concerning an alleged breach by the latter of an obligation provided in this Agreement through negotiations.
2. The investor shall deliver to the Contracting Party against which the investor is bringing the dispute a written notification of a dispute at least six months before the investor submits the dispute to arbitration or to the local courts of that Contracting Party.
3. The written notification referred to in paragraph 2 of this Article means a written notice specifying:
 - (i) the name and address of the investor;
 - (ii) the provisions of this Agreement alleged to have been breached;
 - (iii) the factual basis for the dispute, including the measures at issue; and
 - (iv) the relief requested, including the approximate amount of damages claimed.
4. If the investor and the Contracting Party have not resolved the dispute within six months from the date of the written notification, the investor may elect to submit the dispute to any one of the following:
 - (a) The local courts of the Contracting Party in whose territory the investment was made; or
 - (b) Arbitration under:
 - (i) the ICSID Convention, provided that both Contracting Parties are bound by the ICSID Convention;
 - (ii) the ICSID Additional Facility Rules, provided that either the Contracting Party of the investor or the other Contracting Party, but not both, is a party to the ICSID Convention;
 - (iii) the UNCITRAL Arbitration Rules; or
 - (iv) the LCIA Arbitration Rules.
5. Each Contracting Party hereby gives its consent to the submission of a dispute falling within paragraph 1 of this Article to arbitration under any one of the arbitral frameworks and rules provided for in paragraph 4(b)(i) to 4(b)(iv) of this Article.
6. Once an investor has submitted a dispute concerning an alleged breach of this Agreement to one of the procedures provided for in paragraph 4 of this Article, the choice of the procedure shall be final.
7. An arbitral tribunal constituted to resolve a dispute under this Article shall follow compensatory principles in any award and shall not award punitive damages.

8. Arbitration awards shall be final and binding for the disputing parties.
9. A dispute may not be submitted to arbitration or to local courts under this Article if more than four years have elapsed from the date on which the investor first acquired, or should have first acquired, knowledge of the alleged breach.
10. For the avoidance of doubt, enforcement of any awards shall be limited to the assets of the Contracting Parties at the time of enforcement and shall not extend to the assets of any third parties.
11. Nothing in this Article shall be construed as derogating from the Protocol to the Double Taxation Agreement between the Contracting Parties signed on 20 April 2016.

ARTICLE 15 TRANSPARENCY

The UNCITRAL Transparency Rules shall apply to arbitration between an investor of one Contracting Party and the other Contracting Party as provided for in Article 14 of this Agreement irrespective of the arbitration rules which govern such proceedings.

ARTICLE 16 AVOIDANCE OF FRIVOLOUS CLAIMS

1. After an investor has submitted a dispute with a Contracting Party to arbitration under Article 14 of this Agreement, the Contracting Party may, no later than 60 days after the constitution of the arbitral tribunal, file an objection that a claim is manifestly without legal merit, manifestly inadmissible or manifestly outside the arbitral tribunal's jurisdiction
2. On receipt of an objection under this Article, the arbitral tribunal may in its discretion establish a schedule for considering it with an expedited timeframe. In such a case, the arbitral tribunal shall decide on the objection after giving the disputing parties an opportunity to present their observations on it.
3. If the arbitral tribunal decides that a claim is manifestly without legal merit, manifestly inadmissible or manifestly outside the arbitral tribunal's jurisdiction, the arbitral tribunal shall render an award or decision as appropriate to that effect. In that case, the tribunal shall order that the costs of the proceedings be borne by the unsuccessful disputing party.
4. This Article is without prejudice to:
 - (a) the arbitral tribunal's authority to address other objections as a preliminary question or to otherwise bifurcate arbitral proceedings;
 - (b) the right of a disputing party to make objections, in the course of arbitral proceedings, other than those referred to in paragraph 1 of this Article; and
 - (c) the Contracting Party's right to object, in the course of arbitral proceedings, that a claim lacks legal merit.

ARTICLE 17
SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING PARTIES

1. Disputes arising between the Contracting Parties regarding the interpretation or application of this Agreement shall be settled as far as possible through direct negotiations of the Governments of the Contracting Parties.
2. If an agreement is not reached within six months from the date on which the dispute was notified in writing, either of the Contracting Parties may submit the dispute to an arbitral tribunal in accordance with the UNCITRAL Arbitration Rules.

ARTICLE 18
PLACE OF ARBITRATION

1. With regard to arbitration under Article 14(4)(b)(ii) to Article 14(4)(b)(iv) the disputing parties may agree on the place of arbitration.
2. If the disputing parties fail to reach an agreement regarding the place of arbitration, the tribunal shall, in consultation with the disputing parties, determine the place of arbitration as soon as practicable after the tribunal's constitution provided:
 - (a) that the place of arbitration shall be in the territory of a Contracting Party, or in the area of a non-Contracting Party that is a party to the New York Convention;
 - (b) that the determined place of arbitration is in accordance with the applicable arbitral rules;
 - (c) that the tribunal has taken the disputing parties' views and interests into consideration, including with regard to the financial burden of the arbitration procedure.

ARTICLE 19
ARBITRATORS

Arbitrators appointed to resolve disputes under either Article 14 or Article 17 of this Agreement shall:

- (a) be impartial and independent of the Contracting Parties and the parties to a dispute; and
- (b) comply with the International Bar Association Guidelines on Conflicts of Interest in International Arbitration issued on 23 October 2014.

ARTICLE 20
OTHER RULES

If the provisions of law of either Contracting Party or obligations under international law, whether existing at the time of entry into force of this Agreement or established subsequently, contain rules that afford investors and investments of a Contracting Party more favourable treatment than is provided for by this Agreement, such more favourable rules shall prevail over the present Agreement.

ARTICLE 21
SCOPE OF APPLICATION

1. This Agreement is applicable to investments made before its entry into force and existing at that time, as well as to investments made thereafter in the territory of a Contracting Party in accordance with its law by investors of the other Contracting Party.
2. For greater certainty, the provisions of this Agreement shall not apply to claims arising out of events which occurred, or to claims which had arisen or had been settled, prior to its entry into force.
3. Nothing in this Agreement shall affect the rights and obligations of either Contracting Party under any international agreement, arrangement or generally applicable domestic legislation relating to taxation, including on information exchange.
4. This Agreement shall not apply to decisions, directions or measures related to the operation and legal framework of trusts in either Contracting Party, whether taken by the Governments, the courts, the regulatory authorities or otherwise of either Contracting Party.
5. Issues relating to housing and residential property under the Control of Housing and Work (Jersey) Law 2012 and any successor legislation or regulations shall not be subject to the Agreement.

ARTICLE 22
APPLICABLE LAW

An arbitral tribunal established under Article 14 or Article 17 of this Agreement shall decide the issues in dispute in accordance with this Agreement, the principles and rules of public international law, and the domestic law of the Contracting Party in whose territory the investment was made.

ARTICLE 23
AMENDMENTS

Upon the request of either Contracting Party, the Parties shall discuss and consult in good faith and may agree upon any amendments to this Agreement in writing. Any such amendments shall enter into force in accordance with the procedure necessary for the entry into force of this Agreement and shall constitute an integral part of this Agreement. Any such amendments shall only apply to investments made after the entry into force of those amendments.

ARTICLE 24
ENTRY INTO FORCE, DURATION AND TERMINATION

1. Each Contracting Party shall notify in writing the other Contracting Party of the completion of the procedures required by its laws for the bringing into force of this Agreement. The Agreement shall enter into force on the date of the receipt by the relevant Contracting Party of the later of these notifications.
2. This Agreement shall remain in force for a ten year period and shall be extended indefinitely thereafter. After ten years, either Contracting Party may terminate this Agreement by serving a twelve month prior notice in writing to the other Contracting Party through Government channels.
3. With respect to investments admitted before the date on which the notice of termination of this Agreement becomes effective, the provisions of this Agreement shall remain in force for an additional term of ten years from such a date.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Dubai this 9th day of November 2021; in the English and Arabic languages, both texts being equally authentic. In case of divergence between the texts, the English text shall prevail.

**FOR THE GOVERNMENT OF
JERSEY**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**FOR THE GOVERNMENT OF
UNITED ARAB EMIRATES**

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes.