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

DONE in duplicate at Rabat, on this eighth day of January, 2020 in the Japanese, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation the English text shall prevail.

FOR THE GOVERNMENT OF JAPAN:

鈴木馨祐

FOR THE GOVERNMENT OF THE KINGDOM OF MOROCCO:

M.J

Annex
referred to in Article 9
Expropriation and Compensation

1. The Contracting Parties confirm their shared understanding that paragraph 1 of Article 9 is intended to reflect customary international law concerning the obligation of States with respect to expropriation.

2. Paragraph 1 of Article 9 addresses the following two situations:

(a) the first situation is direct expropriation where investments are nationalised or otherwise directly expropriated through formal transfer of title or outright seizure; and

(b) the second situation is indirect expropriation where a measure or a series of measures of a Contracting Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.

3. The determination of whether a measure or a series of measures of a Contracting Party, in a specific fact situation, constitutes an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors:

(a) the economic impact of the measure or series of measures, although the fact that such measure or series of such measures has an adverse effect on the economic value of investments, standing alone, does not establish that an indirect expropriation has occurred;

(b) the extent to which the measure or series of measures interferes with distinct and reasonable expectations arising out of investments; and

(c) the character of the measure or series of measures, including the duration of such measure, whether such measure is non-discriminatory and whether such measure is disproportionate with regard to the public interest purpose.

4. Except in rare circumstances, such as when a measure or a series of measures of a Contracting Party is extremely severe or disproportionate in light of its purpose, non-discriminatory measures of a Contracting Party that are designed and applied to protect legitimate public welfare objectives, such as public health, safety and the environment, do not constitute indirect expropriation.