

Ministry of Finance



Bilateral Investment Treaty between India and the United Arab Emirates, giving continuity of investment protection to investors of both the countries, comes into effect

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The Bilateral Investment Treaty (BIT) signed on 13th February, 2024 at Abu Dhabi, UAE between the Government of the Republic of India and the Government of the United Arab Emirates (UAE), entered into force with effect from 31st August, 2024. The enforcement of this new BIT with UAE gives continuity of investment protection to investors of both the countries, as the earlier Bilateral Investment Promotion and Protection Agreement (BIPPA) between India and UAE signed in December 2013 expired on 12th September, 2024.

UAE is the seventh largest with a share of 3% in the total Foreign Direct Investment (FDI) received in India, with cumulative investment of approximately \$19 Billion from April 2000- June 2024. India also makes 5% of its total Overseas Direct Investments in UAE to the tune of \$15.26 Billion from April 2000 - August 2024. India – UAE BIT 2024 is expected to increase the comfort level and boost the confidence of the investors by assuring minimum standard of treatment and non-discrimination while providing for an independent forum for dispute settlement by arbitration. However, while providing investor and investment protection, balance has been maintained with regard to State's right to regulate and thereby provides adequate policy space.

The signing and enforcement of the BIT reflects both nations' shared commitment towards enhancing economic cooperation and creating a more robust and resilient investment environment. The Treaty is expected to pave the way for increased bilateral investments, benefiting businesses and economies in both countries.

Some of the key features of the India-UAE BIT 2024 are: -

1. Closed asset-based definition of Investment with coverage of Portfolio Investment
2. Treatment of Investment with obligation for no denial of justice, no fundamental breach of due process, no targeted discrimination and no manifestly abusive or arbitrary treatment
3. Scope carve out for measures such as those related to taxation, local government, government procurement, subsidies or grants and Compulsory license.
4. Investor-State Dispute Settlement (ISDS) through arbitration with mandatory exhaustion of Local remedies for 3 years
5. General and Security Exceptions
6. Right to Regulate for State

7. No investor claim in case investments is involved with corruption, fraud, round tripping etc.
8. Provision on National Treatment,
9. Treaty provides for protection to investments from Expropriation, provides for Transparency, Transfers and Compensation for losses.

The India-UAE 2024 BIT can be accessed at Department of Economic Affairs, Ministry of Finance, website:

<https://dea.gov.in/sites/default/files/BIT%20MoU%20Engilsh.pdf>

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