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Investor's Rights and Impact on Foreign Status in Investment Act No. 13 of 2006

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Abstract

Investment affects and is influenced by the legal norms and economic factors of each country, so it was the subject of legal and economic interest. Also, the investment law is supposed to come in harmony and print of that nature. Stimulating investment requires attracting foreign capital, which requires internationalizing investment relations and disputes by freeing them from the provisions of the national laws and courts of the investment host State. The lesson for an investment international is for foreign capital, not for the nationality of its owner. This was emphasized by the rules governing investment and the distinction between investors is not based on nationality but based on the source of capital to benefit from the privileges, exemptions, and facilities granted by the host State.

Keywords

Investor, rights, investment, capital

JEL Classifications: J11, F43

1. Introduction

The investment represents great importance for the state and individuals. Investment, in general, is influenced and influences various aspects including legal, economic, and political aspects. Hence, it represents a point of interest for Lawmen, economic and politics individuals. Several factors can contribute significantly to attract and encourage local and foreign investors to invest in the state. Such factors include amendment of the internal legislation, providing economic opportunities, and political openness globally. Foreigner investment can enrich local market and

level up the capital influx exceeding the capability of local investments which necessitate assurances that are commensurate with such investments. Investment Act no. 13 of 2006 provided some of such assurances, however, it did not define the applicability scope.

This raises two questions, Firstly, what can be made to create normalization with foreign investment and hence provide them with required assurances, and privileges. Is it the foreign nature of the Investor or foreign capital attribute? Secondly, what is the attitude of the Iraqi legislator regarding the foreign attribute in the investment Act? In addition, what were the adopted criteria to decide such attribute?

We will attempt to provide answers to these questions. This research will be divided into two sub-research sections; the first section will explore the validity scope of investment Act in terms of Individuals, while the second shall focus on rational material of investment Act validity scope. We hope to provide the optimal results and suggestions.

2. God is the Arbiter of Success

2.1 First Study Section

2.1.1 Validity scope of investment Act in terms of Individuals

It is well known that the rules of investment Act no of 2006 valid for investments made by either between state, patriotic individuals and foreigners or between individuals. This demonstrated that the investment Act is valid for investment relations who have foreigner or national characteristics. However, the provisions of the investment Act deal quite differently with national and foreign investments. It provides foreign investor with privileges and assurances greater than that provided for national investors regarding the investment relation. This raises an issue regarding the adopted criteria by the Iraqi legislature to define a description for an investor. To what extent this issue can influence investment nature and relation. Did the Iraqi legislature succeed in this regard? The response for this matter shall be provided in the form of two answers. The first one will include the legal description of an investor, whereas the second will the influence of the nationality of the investor regarding his respective legal status.

2.2 First Answer

2.2.1 Legal Description of an Investor

Article 1 of the investment Act no.13 of 2006 defines an investor in two different forms. One time as the investor represents himself, while the other as someone acts on his behalf. Hence, the legal description is highly important to be determined based on the aforementioned investment Act and other related Acts.

This matter shall be discussed in the next subsections. The first shall involve the investor as a real person, and the second will consider as a juridical or legal person status.

Branch 1

The Investor as a Real Person

Human sexuality of an investor and their respective political affiliation are the main criteria to define a real person in some of the Arabian investment Acts (Khaled, 1988). Having the nationality of the investor into the scene, consequently, investors can be classified into national and foreign investors. The Iraqi legislature defined and provided a description of both investors. Where article 1/j defined the Iraqi investor as ((the investor who has an Iraqi nationality in his real stat (real person))) this means the investor who does not hold the Iraqi nationality will be considered foreign. Article 1/i emphasized this definition providing that ((Is the investor who does not hold the Iraqi nationality...)).

Branch 2

The Investor as a Juridical or Legal Person

Similarly, the accredited criteria have to be highlighted to define the political status of a juridical or legal person. Various legislations clarified the adoption nationality of an investor based on their respective country of incorporation or headquarter location (Hafeez, 2005).

Other legislations considered the ownership of the invested capital (Kogan, 2001). The agreement of 1971 that established the Arab investment and export credit guarantee corporation adopted the latter criteria regarding nationality identification. (Al-Haddad, 2002).

In contrast, the Iraqi legislature approved in the investment Act the registration country of the establishment to identify nationally of Investment Company and then distinguishing real national and foreign persons. Whereas, Article 1/j identified the Iraqi juridical investor as ((...is registered in Iraq in the case of a juridical or legal person)). While if the same person established his company overseas then it will be defined as a foreign investor according to article 1/i ((...is registered in a foreign country in the case of a juridical or legal person)).

With regards to the Iraqi legislature, the investment shall be normalized according to the nationality of the investor regardless of the ownership of the invested capital. The influence of foreign capital investment will be mitigated since the investor nationality is the identifier of the investment description (Al-Asaad, 2006).

2.3 Second answer

2.3.1 The Influence of The Investor Nationality in his/her Legal Status

Nationality of an investor is an important segment to identify the legal status of real and legal persons given that it can connect a person to an in-particular legal system of a country. Bundle of rights and obligations can be granted based on the Acts of the investor country of nationality as well as the Acts of the host country of the investment. Despite that, the host country is the one that decides the obligations and rights of an investor regarding investments relations and contracts. Therefore, a foreign and national investor will be distinguished based on their respective nationality. Whereas, their nationality does not provide any aid to decide the obligations or rights of an investor since the host country has the jurisdiction. One may wonder about the impact of the investor's nationality, together with the State of investment, in determining its rights and obligations.

Branch 1

The Rights of an Investor

Several Arabian and foreign investment Acts, as investment host countries, emphasized a bundle of rights that required to be provided to local or foreign investors, real or legal person. These rights are commonly provided as exemptions of taxes or customs, banking facilities, and some privileges transactions. The transactions include permissions to invest in most of the available areas. In addition, investment host country generates some legislation to provide the investor with certain rights to ensure that their property will not be confiscated nationalized or divested. Furthermore, the investor provided with the right of transferring of statutory, legislative and judicial jurisdiction to other countries rather than the jurisdiction of the investment host country regarding conflicts derived from the investment. Even though, the investor should provide Act or legal articles for the compensation for such matter, as well as accreditation of arbitration instead of the judiciary of the host country providing that the nationality of the investor different from the host country (ibid).

2.4 Many Arabian and Foreign Legislation Have Considered this Approach

In contrast, the Iraqi legislature offered a distinctive description for the rights and obligations of an investor regardless of their respective nationality, where article 10 stated that ((The Iraqi or foreign investor enjoy the same privileges, facilities, and guarantees, and submit to the obligations stated in this Act...)).

Moreover, the foreign investor the right to transfer the statutory, legislative and judicial jurisdiction out of the Iraqi judicial system, as indicated by article 2/27

((If parties to a dispute are non-Iraqis and in disputes not arising from a crime, the opponents may agree on the Act to be applied, the competent court or any other agreement to resolve their dispute)).

Branch 2

The Obligations of an Investor

As the investment Act granted rights to the investor it imposed some obligations in return. The imposed obligations included obeying to civil security and police, for instant public health, environmental conservation, ensuring required procedure to prevent pollution, and respect the rules of consumer protection Act. As well as investors should be committed to the labor working hours limit stated in the labor Act. The aforementioned commitments are not negotiable since these are national Acts of the host country. This can be argued for the fact that these jus cogens valid for both local and foreign investors, as well as international jurisprudence as presenting as immediate application rules and part of the public system. Hence, it is forbidden to transfer the above mention jurisdictions out of the investment host country (Khaled, 1988).

The investor obligations from the Iraqi Legislative perspective stated in article 14 and can be divided into three types as follows:

First type: Organizational obligations which shall include the notification of the National Commission for investment and the regional or Governorate Commission [8] (ibid). regarding the completion of installation of required equipment of the project and the date of the beginning of commercial activity article (14/1). Moreover, investor must provide evidence of keeping proper records audited by a certified accountant in Iraq in accordance with the Act article (14/2). Investor should provide an economic and technical feasibility study for the project article (14/3), as well as, keeping records of the project's duty-free imported material for investment purposes article (14/4).

Second type: Rational Obligations which include environmental safety and quality control systems in accordance with valid Iraqi and international Standards. In addition, investors have to comply with the Iraqi general system, health safety, and values of society article (14/5). As well as compliance with the minimum wages and working hours in accordance with Iraqi Acts as stated in the article (14/6).

Third type: Procedural obligations: this includes the submission of a realistic time plane that does not have time variations of more than six months. The investor shall be committed to upgrade efficiency and enhance decision-making abilities of the Iraqi workers through training and rehabilitation; as well as prioritizing the Iraqi workers among candidates regarding any provided vacancy as indicated in the article (14/8).

Furthermore, foreigner investor does not have the right to transfer the jurisdiction to another authority rather than the Iraqi authority. Article 14 clearly highlights this matter that states (The investor shall observe the following....). The

instructions of the Iraqi investment Act are just cogens kind of instructions and directly related to general system and civil security. Hence, the investor must comply with those obligations. Article (27/1) promote the same concept stating (Disputes arising from the work contract shall exclusively be subject to the provisions of the Iraqi Act and the jurisdiction of Iraqi courts. Non-Iraqi laborer shall be exempted if the work contract stipulated otherwise). The latter aspect of article (27/1) offered an absolute concept that should be restricted to the non-regulatory aspect of labor contract. The non-regulatory related to time and number of wages, the place where it is to be fulfilled, and the time and location of the designated work. Whereas, that provision does not include the regulatory aspect to which Iraqi Act requires exclusive jurisdiction. The regulatory aspect embraces general rules and civil security matters for instant minimum wages, maximum working hours limit, and work injury guarantee (Majid, 1992).

Labor contracts are subjected to the dominant jus cogens related to the place of execution. The place of execution indicates the social and economic medium of the labour relation as well as the main theme of a labor contract. This might induce complication to distinguish between the contract and the place of execution. In addition, it necessitates the engagement and unity of the contract and the place of execution as well as the enforced instructions and Acts. This coincides with expression of Batefal the jurist. However, the Act related to the place of execution represents the tacitly accepted Act by the contractual parties. Based on the aforementioned considerations the execution place stands as the main focus of most interests of contractual parties, consequently, the contract will be closely related to the host country (ibid).

Second Study Section

Scope Rational Material of Investment Law

If the investment rules apply to the parties of the investment relationship in order to determine their rights and obligations according to their legal description as to whether they are foreign or national investors, at the same time these rules aim to regulate the provisions and effects of the investment relations to which they are a party in terms of their scope of application, If there is any influence on the foreign attribute of the parties in determining the nature of the investment as expressed by the Iraqi legislator in Investment Act No. 13 of 2006, is there any impact on the foreign attribute of the capital invested in the nature of the investment and hence on the applicability of the Investment act in terms of the subject matter of the investment? In other words, for those who excel at determining the nature of the investment as foreign or national to foreign investors or to foreign their invested funds or who together have the same effect, we will try to answer this question through two answers that address; first, legal nature of the investment. Second, foreign effect of the invested capital.

First Answer

Legal Nature of Investment

Investment occurs between individuals sometimes and between the state and individuals at other times. Since the subject of our research is focused on investment between the State and individuals, the nature of this investment varies depending on the legal status of the State. The question here is whether the State remains in its sovereign capacity, or is it removed from it and treated as an ordinary person if it enters into an investment contract with the individual, and then what effect does the distinction have on the nature of the investment contract? That's what we're going to try to answer through three branches.

Branch 1

Investment from Private Law Contracts

An investment takes the nature of a private contract if the State acts as a one-person of the private law persons into an investment contract where both parties to the contract are persons of private law, and the terms and effects of the contract are therefore governed by the rules of private law (According to civil and commercial law rules). Accordingly, the parties have broad freedom to choose the law governing the contract as well as the body that adjudicates investment disputes. On this occasion, the parties will be free to deal with investment provisions based on the investment contract or based on a separate investment contract. This means that the contract will be the law of the parties to the investment and will have the self-sufficiency and ability to free the investment from the national specificities of the investment host State. Also, The State is treated as an ordinary person according to this orientation, depending on the purpose of the investment. If the purpose of the State in concluding the investment contract is in a special interest, the contract takes a special nature (Zamzam, 2007). For example, the State contracted with the investor to supply electrical appliances, which the State subsequently responsible for sell on local markets. But if the purpose is to achieve a public interest, the investment contract is considered the description of a common-law contract, given the nature of the fact that an investment is a private law contract, the investor does not need guarantees because he or she feels safe and secure, standing with the State equally.

Branch 2

Investment from Public Law Contracts

An investment takes the nature of such contracts if the State retains its sovereign capacity as a one-person of the international law persons in the investment contract, so the investment takes the nature of administrative contracts

because the State or one of its organs or institutions is a public person in the context of public law within the State and has an international personality in the field of international law relations abroad. Therefore, the investment contract would be governed by the rules of internal public law and international law. Here, the investor needs many guarantees from the host State because the conditions of the investment contract are restricted to the extent permitted by the domestic laws of the State. The transfer of legislative jurisdiction and jurisdiction outside the sphere of the legal regime of the host State is in civil, commercial, and certain labor matters, while the investor cannot agree on the transfer of jurisdiction in financial, fiscal, penal, procedural, and all jus cogens matters, because the latter are rules of civil security, which are of immediate and direct application (ibid).

Disclosure of the nature of public law contracts is by identifying the purpose of the investment. That purpose determines the legal status of the State, as well as the contract guarantees for the investor. If the State has contracted a foreign or national investor with foreign capital to construct housing complexes for martyrs' families as an example for public interest purposes. Thus, the State acts as a person of authority and sovereignty. Furthermore, the State must provide an attractive investment environment by improving its tax, financial, labor, and corporate legislation. Also, it should be allowing the investor to agree with the state to restrict its power to modify its legislation within a certain time by means of the so-called legislative certainty clause (Al-Asadi, 2007).

Branch 3

Complex Nature of Investment

Many clauses contribute to the formation of investment contracts, some of these clauses belong to private law, including those relating to loans, leases, real-estate development lease contracts, insurance, and companies. While, others belong to public law, including those relating to taxes, the environment, and external transfer of cash. So we can't provide an investment contract that counts specifically for one of the two laws. The investment contract requires pre-concluded and subsequent procedures, as well as conditions relating to both laws, Its provisions overlap to regulate the investment process in order to form the rules of public law that are present for obtaining the investment permit from the National Investment Authority, Iraq is an example. Also, it obtaining tax exemptions and financial facilities for the same purpose in exchange for the rules of private law for trading stocks and bonds, opening subsidiaries, borrowing, and leasing lands. If the state acting as a party on the above status, that means it has a dual personality, appearing as the holder of authority and sovereignty in connection with the proceedings and requirements relating to the public law. However, the state abdicates that description when it is related to the rules of private law.

The State can't act as a simple and single description because the investment is connected to a dual and a complex connection. Otherwise, the State

takes the same dual and complex description for the nature of the compound investment (Majid, 1992). For these reasons, some people use the term grey zone, which is located in between the rules of public and private law in the situation where there is mixing in public and private nature for particular legal relations (ibid).

Second Answer

Foreign Effect of The Invested Capital

Capital transferred from abroad by nationals or foreigners for investment within the State has a significant impact on the view of some in determining the description of the investor and the nature of the investment, foreign capital transfers the foreign character of the investor and investment together, in return for that, The role of nationality in determining the nature of an investment and the character of the investor is weakened. That means, it's a negative factor versus the source of capital, which is a positive factor. Depending on that factor a distinction is drawn between national (domestic) and foreign (external) investment, that's lead to the respective legal system differ both in terms of the rules are governing investment disputes by legislative terms, and also in terms of the rules are governing disputes by judicial terms (Zamzam, 2007).

If the above rules are in national terms in the case of national investment disputes, what are the rules that govern investment disputes under foreign investment? We will try to answer this question through two branches that address; first, rules of the investment legislative system. Second, rules of the investment justice system.

Branch 1

Rules of the Investment Legislative System

Based on the rules of private international law that is established in most countries of the world, relations relating to funds or acts are subject in their origin and effects to the law of the State in which such funds are concentrated or have occurred, investment relations in all their manifestations are related primarily to funds and secondary to businesses. Also, investment relations are linked more too invested funds than the investor personality. The rules of the legislative system applicable to such relations in their origins and effects (disputes) are the law rules for the assets location and the principal business place (Kogan, 2001). and aren't the nationality law rules of the investor, this provision takes advantage of most legislation (ibid).

The Iraqi legislator has equated the national and foreign investors with the guarantees and privileges in article (10) of the law. While, he has made a distinction between them in the agreement of investment disputes, and he has given this privilege to the foreign investor as it stated in article (27/2) which is contrary to

article (10) above, where article (27/2) stipulated that (If parties to a dispute are non-Iraqis and in disputes not arising from a crime, the opponents may agree on the law to be applied, the competent court or any other agreement to resolve their dispute). It will be better if the Iraqi legislator has treated the Iraqi investor who transferred his funds from abroad into Iraq similar to the foreign investor because he could take advantage of the opportunity to freedom the investment from national laws limits. This will ensure a high flow of foreign capital, which will falter or weaken if a national that transfers foreign capital to Iraq is treated the same as a national that invests capital already in Iraq. I think that's not fair because it's decreased the level of the Iraqi foreign capital investor to the level of the Iraqi national capital investor, which does not encourage the former to invest in Iraq. Also, in that situation, the level of foreign investor who invests national funds is increase than the level of Iraqi investor who wants to invest foreign money, here of course, the benefit needs to be in favor of the latter. Also, the Iraqi legislator ignore the status of the Iraqi investor of foreign capital because it makes the foreign investor of foreign capital and the foreign investor of national capital less than the Iraqi investor of national capital. The legislator didn't provide a clear solution to the description and nature of the investment made with national and foreign joint capital, is this investment national or foreign? The reason for the Iraqi legislator's position ambiguity is that he relied on the nationality of the investor rather than on the source of capital in the national and foreign capacity of investment.

Thus, based on this criterion, he couldn't determine the nature of the investment in the advanced purpose. By contrast, the legislator could have relied on the foreign criteria of invested capital to determine the nature of the investment and to describe the investor through which he could provide a solution for the advanced purpose. Investment is characterized as national or foreign, depending on whether any of the foreign capital predominates over patriotism or vice versa. If the former prevails over the latter, it will consider a foreign investment regardless of the investors' nationality. Otherwise, it will consider a national investment. This solution is easily accessible by adopting foreign capital standards that make it impossible for us to adopt an investor's nationality standard, and to adopt a first standard that is encouraged by jurisprudence (Al-Asaad, 2006).

Some international conventions, such as the 1985 International Investment Guarantee Agency Convention, have incorporated it in an article (31/c), which emphasizes the competence of the Agency to resolve investment disputes. If the nationality of its parties is united on the condition that the investor has transferred its funds to its own State, then the International Agency for Investment Guarantee may be competent to secure damages to the investor by its State of nationality under the investor's security contract with the Agency (Al-Haddad, 2002).

According to the logic of the convention, a national investor who has transferred his funds into his State has a special treatment in which he exceeds the national investor for funds within the State in which he is equal with the foreign investor (ibid).

Finally, the fact that a foreign investor is truly empowered by his nationality and a foreign investor by foreign capital to submit to legislative rules outside the State of investment is an investment promotion, reassurance and guarantee for the investor. In contrast, agreement on rules for a particular legal system does not cover disputes that are a crime, quasi-crime, and tort liability, nor does it cover matters of procedure (litigation), rules of police or civil security. All of these issues fall within the derogatory jurisdiction of the State of investment because they relate primarily to the public order on the one hand and state sovereignty on the other (Majid, 1992). This means, the principle of contract editing from being subject to the above rules breaks down, as does the principle of legislative certainty, which means freezing the law governing the investment contract at the time of the contract or its execution and preventing the State will to make any change in its favor (Kogan, 2001). Thus, the principle of legislative certainty is inoperable if we are faced with certain issues that need to be regulated by peremptory norms. By contrast, the above principle is an actor in matters outside *jus cogens*.

The application of the principle of legislative certainty is one of the most attractive factors for foreign investment in a State in need of investment such as Iraq. It should be noted that the Iraqi legislator in the Investment Act didn't explicitly regulate and provide for this principle and that such a principle represents the foreign investor's trust in the State hosting the investment (*ibid*), (although the Iraqi legislator vaguely referred to it in an article (12/3) on the inadmissibility of the sources and nationalization of investment projects by the State.

Branch 2

Rules of the Investment Justice System

Since investment is more about money and business than it is about people, the rules of the legal system governing investment and disputes concerning investment are those of the State in whose territory money is invested and investment is carried out. It can be agreed that these rules will be violated in the event of foreign investment, where the parties are free to choose the judicial system before which they are represented in disputes concerning investment in civil and commercial matters. The justification for this exception is to encourage the flow of foreign capital on the national territory of the State. The rules of the judicial system of a State renowned for the trade or manufacture of certain materials may be chosen by the parties to the investment, or the rules of International Arbitration Centers such as the Court of Arbitration operating under the sponsor of the International Arbitration Centre in Washington (Kogan, 2001). The 1965 Washington Convention adopted the difference of nationality of the investor from the host State as a condition for the settlement of the dispute before the international center. In contrast, the investor does not have to transfer jurisdiction outside the rules of the Investment State's regulation in investment disputes for default liability. Such disputes fall within the exclusive jurisdiction of

the host State courts for investment since the effects of such disputes are of a territorial and systemic nature to the general regime of the Investment State. Consequently, the international jurisdiction of courts other than those of the host State of investment does not take place and this provision is almost universal. It was adopted by the Iraqi legislator in article (27/2), of the Investment law. This article also applies article (15) of the Civil Code, which stipulates that (The foreign shall be sued in the courts of Iraq in the following circumstances: With... The subject of litigation is a contract concluded in Iraq, is enforceable in Iraq, or is the litigation for an incident that occurred in Iraq). While, Disputes between the Iraqi Investment Authority and the national and foreign investor are resolved through the Iraqi judiciary in civil matters and through arbitration in commercial matters under article (27/5).

3. Conclusion

In accordance with the above-mentioned a set of observation can be highlighted with regards to the identified principles and as follows:

1.The compound nature of the investment gained the attention of economists and Actmen since in influences and gets influenced by legal instructions and economic factors. Similarly, the investment Act hypothetically it should consistent and harmony with such nature. Several factors plays a major influencers in forming this Act including the instruction private and general Acts from one side, and the instructions of local and international Acts.

2.Investment stimulation necessitates the attraction of foreigner capital which in turns requires the nationalization of the investment relations and related conflicts. This can be induced through releasing restriction of legal provisions of the host country and their respective courts. The main concept of nationalization is to focus on the origin of the capital investment rather than the nationality of the owner, which were emphasized by the valid investment regulations. It is important to differentiate between investors based on the origin of the capital investment instead of their nationality. This is to take advantage of the provided privileges, exceptions and facilitations granted by the host country and related agreements such as the agreement of Washington of 1965.

3.Host countries should reassure investors through their commitment not to amend or update the related legislation to the investment since the main motivation of investment is state commitment. This shall promote international private Act, which illustrated the importance of respecting the expectations of individuals in terms of contracts and legal security.

4. Foreign investors have the right to negotiate to elect alternate Act to be accredited instead of the Acts of the host country subject matter of mutual agreement. However, social security and police are not negotiable under any circumstances. In order to enforce the Iraqi investment Act, certain other Acts require to be amended or upgraded such Act include companies act no. 21 of 1997, taxes and charges Act, and agricultural-related Acts.

Furthermore, it seems that some provisions of investment Act no. 13 of 2006 were slightly out of the scope of the aforementioned principles. Although it has fulfilled the first principle, it has conflicted with the second principle. Article 22 provided the foreigner investor with the privileges and exemptions, while the second principle provides this right based on the origin of the capital invested rather than the investor nationality. In contrast, article 22 contradict article 10 of the same Act, where the latter indicated that investors regardless of their respective nationality shall be provided with all granted privileges and assurances. However, the source of this expression was not provided as if it was mentioned in an agreement or other Acts, while it has indicated the source of the required obligations.

The reading of article 13 also shows that it fell short of the third principle, limiting the authority of the legislator not to amend the provisions of the Investment Act relating to guarantees and appropriations. This could be provided by other Acts relating to custom fees, corporate and labour taxes and fees. This means that the requirement of legislative certainty benefits the investor only by not modifying the guarantees, exemptions and facilities contained in the Act.

The third principle will be applied, but with a very restricted regime, and that is one of the obstacles that is one of the only reasons for investing in Iraq.

Article (27/2) was not compatible with the provisions of the fourth principle. It gave the right to agree on the applicable Act and the competent court to non-Iraqi investment parties, whereas in this context the differentiation between investors on the basis of nationality was disregarded as long as their foreign-invested capital was characterized.

Thus, the investor possesses all exemptions and privileges regardless of nationality, as well as the rights granted by article 10. One of the most important of these privileges is the right to free the parties to an investment contract from the provisions of national Acts and the courts. This, by contrast, means that Article 27/2 is also in conflict with Article 10 and universally established principles of investment.

Finally, we propose to restrict the freedom of the parties to an investment contract by agreeing on an Act other than Iraqi Act in matters of employment contracts, so that they are only in non-regulatory aspects, while the regulatory aspects are exclusively governed by Iraqi Act as the Act of the country of implementation.

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