Treaty between the Federal Republic of Germany and the Federal Republic of Cameroon on Promotion of Investment of Capital

THE FEDERAL REPUBLIC OF GERMANY and THE FEDERAL REPUBLIC OF CAMEROON,

DESIRING to intensify economic co-operation between both States,

INTENDING to create favourable conditions for investments by nationals and companies of either State in the territory of the other State, and

RECOGNIZING that encouragement and contractual protection of such investments are apt to stimulate private business initiative and to increase the prosperity of both nations,

HAVE AGREED AS FOLLOWS:

Article 1.

Each Contracting Party shall in its territory promote as far as possible the investment of capital by nationals or companies of the other Contracting Party, admit such investments in accordance with its legislation and give sympathetic consideration to the granting of the relevant permits required. They shall accord such investments fair and equitable treatment in every case.

Article 2.

Neither Contracting Party shall in its territory subject nationals or companies of the other Contracting Party, as regards the investments owned or controlled by them, their occupational or business activity in connection with such investments and in respect of the management, enjoyment, or use of the latter, to conditions less favourable than it imposes on its own nationals or companies or on nationals or companies of any third State.

Article 3.

(1) Investments by nationals or companies of either Contracting Party shall enjoy full protection and security in the territory of the other Contracting Party.

(2) The investments of nationals or companies of either Contracting Party in the territory of the other Contracting Party shall not be expropriated except for the public benefit and against compensation. Such compensation shall represent the equivalent of the investment affected and shall be fixed and made without delay; it shall be actually realizable and freely transferable. The legality of any such deprivation and the amount of compensation shall be subject to review by due process of law.

(3) Nationals or companies of either Contracting Party whose investments suffer losses owing to armed conflicts, revolution, or revolt in the territory of the other Contracting Party, shall be accorded treatment no less favourable by such other Contracting Party than that Party accords to its own nationals or companies, as regards restitution, indemnification, compensation or other valuable consideration. With respect to the transfer of such payments, each Contracting Party undertakes to accord to the nationals or companies of the other Contracting Party a treatment no less favourable than it accords in comparable cases to nationals or companies of any third State.

(4) The provisions of paragraphs 1, 2, and 3 above shall likewise apply to returns from investments.

Article 4.

Either Contracting Party shall guarantee to nationals or companies of the other Contracting Party the transfer of the capital, of the returns from it and, in the event of liquidation, of the proceeds from such liquidation.

Article 5.

If a Contracting Party has given guarantees to any of its nationals or companies in respect of the matters governed by this Treaty and has made payments under such guarantees, the other Contracting Party shall, without prejudice to the rights of the first mentioned Contracting Party under Article 10, recognize the transfer of all rights and interests from that national or company to the first mentioned Contracting Party by virtue of law or legal transaction as well as the subrogation of that Contracting Party to all such rights and interests. As regards the transfer of payments to be made by virtue of the transfer of rights to the Contracting Party concerned, paragraphs 2, 3, and 4 of Article 3 as well as Article 4 shall apply mutatis mutandis.

Article 6.

(1) To the extent that the nationals or companies having made the investments have not made another arrangement with any third Party, approved by the appropriate agencies of the Contracting Party in whose territory the investment is situate, transfers under paragraphs 2, 3 and 4 of Article 3, under Article 4 or Article 5 shall be made without delay and at the rate of exchange effective for current transactions on the day the transfer is made.

(2) The rate of exchange effective for current transactions shall be based on the par value agreed with the International Monetary Fund and shall lie within the margins above or below parity admitted under section 3 of Article IV of the Articles of Agreement on the International Monetary Fund.

(3) If at the date of transfer no rate of exchange within the meaning of paragraph 2 above exists in respect of the Contracting Party concerned, the official rate fixed by such Contracting Party for its currency in relation to the US dollar or to another freely convertible currency or to gold shall be applied. If no such rate has been fixed, the appropriate agencies of the Contracting Party in whose territory the investment is situate shall admit a rate of exchange that is fair and equitable.

Article 7.

If the legislation of either Contracting Party or international obligations existing at present or established here-after between the Contracting Parties in addition to the present Treaty, result in a position entitling investments by nationals or companies of the other Contracting Party to a treatment more favourable than is provided for by the present Treaty, such position shall not be affected by the present Treaty. Either Contracting Party shall observe any other obligation it may have entered into with regard to investments by nationals or companies of the other Contracting Party.

Article 8.

(1) The term "investment" shall comprise every kind of asset, and more particularly, though not exclusively,

a) Movable and immovable property as well as any other rights in rem, such as mortgages, liens, pledges, usufructs and similar rights;

b) Shares or other kinds of interest in companies;

c) Titles to money or to any performance having an economic value;

d) Copyrights, industrial property rights, technical processes, trade-names, and good will;

e) Business concessions under public law, including concessions to search for, extract or exploit mineral resources, giving their holders a legal position for a certain period.

Any alteration of the form in which assets are invested shall not affect their classification as investment.

(2) The term "returns" shall mean the amounts yielded by an investment as profit or interest.

(3) The term "nationals" shall mean,

a) In respect of the Federal Republic of Germany:

Germans within the meaning of the Basic Law for the Federal Republic of Germany;

b) In respect of the Federal Republic of Cameroon:

Any persons who are Cameroonians in accordance with the laws and regulations governing Cameroonian nationality.

(4) For the purposes of the present Treaty the term "companies" shall mean

a) In respect of the Federal Republic of Germany:

Any legal person as well as any commercial or other company or association with or without legal personality, having its seat in the territory of the Federal Republic of Germany and lawfully existing consistent with the latter's legal provisions, irrespective of whether the liability of its partners, associates or members is limited or unlimited and whether or not its activities are directed at profit;

b) In respect of the Federal Republic of Cameroon:

Any legal person existing consistent with the respective legal provisions of the Federal Republic of Cameroon.

Article 9.

The present Treaty shall also apply to investments made after 1 January 1960 by nationals or companies of either Contracting Party in the territory of the other Contracting Party in accordance with the latter's legislation.

Article 10.

(1) Disputes concerning the interpretation or application of the present Treaty should, if possible, be settled by the Governments of the two Contracting Parties.

(2) If a dispute cannot thus be settled, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

(3) Such arbitral tribunal shall be constituted for each individual case as follows: Each Contracting Party shall appoint one member, and these two members shall agree upon a national of a third State as their chairman to be appointed by the Governments of the two Contracting Parties. Such members shall be appointed within two months, and such chairman within three months from the date on which either Contracting Party has informed the other Contracting Party that it wants to submit the dispute to an arbitral tribunal.

(4) If the periods specified in paragraph 3 above have not been observed, either Contracting Party may, in the absence of any other relevant arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President should make the necessary appointments. If the Vice-President is a national of either Contracting Party or if he, too, is prevented from discharging the said function, the Member of the International Court of Justice next in seniority who is not a national of either Contracting Party should make the necessary appointments.

(5) The arbitral tribunal shall reach its decisions by a majority of votes. Such decisions shall be binding. Each Contracting Party shall bear the cost of its own member and of its counsel in the arbitral proceedings; the cost of the chairman and the remaining costs shall be borne in equal parts by both Contracting Parties. The arbitral tribunal may make a different regulation concerning costs. In all other respects, the arbitral tribunal shall determine its own procedure.

Article 11.

The provisions of the present Treaty shall remain in force also in the event of a conflict arising between the Contracting Parties, without prejudice to the right of taking such temporary measures as are permitted under the general rules of international law. Measures of this kind shall be repealed not later than on the date of the actual termination of the conflict, irrespective of whether or not diplomatic relations have been re-established.

Article 12.

With the exception of the provisions in paragraph 7 of the Protocol, referring to air transport, the present Treaty shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany has not made a contrary declaration to the Government of the Federal Republic of Cameroon within three months from the entry into force of the present Treaty.

Article 13.

(1) The present Treaty shall be ratified; the instruments of ratification shall be exchanged as soon as possible in Yaoundé.

(2) The present Treaty shall enter into force one month after the day of exchange of the instruments of ratification. It shall remain in force for a period of ten years and shall continue in force thereafter for an unlimited period except if denounced in writing by either Contracting Party one year before its expiration. After the expiry of the period of ten years the present Treaty may be denounced at any time by either Contracting Party giving one year's notice.

(3) In respect of investments made after 1 January 1960, the provisions of Articles 1 to 12 shall continue to be effective for a further period of twenty years from the date of termination of the present Treaty.

For the Federal Republic of Germany:

Carstens

For the Federal Republic of Cameroun:

Victor Kanga

PROTOCOL

When signing the Treaty for the promotion of capital investments between the Federal Republic of Germany and the Federal Republic of Cameroon, the authorized representatives signed the following agreements, which should be considered as integral part of the Treaty:

(1)

The Contracting Parties declare their intention, with the aim of deepening their economic relationship, to start negotiations to conclude a Treaty of Establishment, which should include regulations on the following matters:

Entry and exit, temporary and permanent residence, protection against expulsion, taking up and pursuing economic and professional activities, founding and participation in companies without capital restrictions conditions, work permits for senior and technical personnel, protection and security of people and property, free access to justice, freedom of contract, acquisition of real estate and other properties, admission to the function of arbitrator.

(2). Ad Article 1

Each Contracting Party may, in accordance with its laws and regulations within the framework of Article 1, decide whether to grant the necessary approval. If approval is granted, the capital investment is fully protected under this Treaty.

(3). Ad Article 2

a) In the interest of their national economy, each Contracting Party may, at the moment of the authorization of an investment by nationals and companies of the other Contracting Party, agree with them special conditions in the certificate of admission with regard to:

a) The management of the investment;

b) The economic activity;

c) Reinvestment of investment proceeds;

d) Arranging the training and employment of their own nationals.

If conditions of this kind have been agreed, the provisions of Article 2 of this Treaty shall not apply.

b) The following are considered to be "less favorable conditions" within the meaning of Article 2: any restriction on the purchase of raw and auxiliary materials, energy and fuels as well as all types of production and operating resources, any impediment to sales of products at home and abroad and others measures with a similar impact. Measures to be taken for reasons of public security and order, public health or morality are not considered "less favorable conditions" within the meaning of Article 2.

c) Article 2 does not apply to the entry, residence and employment of an employee.

(4). Ad Article 3

The provisions of Article 3 paragraph 2 also apply to the transfer of an investment to public ownership, its subordination to public supervision or similar interference by the public sector. "Expropriation" means the confiscation or restriction of any asset or right that constitutes an investment, alone or with other assets or rights, through sovereign measures and to an extent that is equivalent to expropriation.

(5). Ad Article 4

A "liquidation" within the meaning of Article 4 also includes a sale that is intended to completely or partially abandon the investment.

(6). Ad Article 6

A transfer is deemed to be carried out "without delay" within the meaning of Article 6 (1) if it takes place within a period that is normally required to comply with the transfer formalities. The period begins with the submission of a request and may under no circumstances exceed two months.

(7)

Each Contracting Party shall refrain from measures which, contrary to the principles of free competition, exclude or hinder the participation of maritime transport of the other Contracting Party in the carriage of goods intended for investment within the meaning of this Treaty. This also applies to goods that are purchased on the territory of a contracting party or a third country using funds from a company in which capital is invested within the meaning of this Treaty. Each Contracting Party shall refrain from any measures which, contrary to the principles of free competition, may exclude or hinder the participation of other Contracting Parties in the carriage of passengers, baggage or cargo when the carriage is connected with an investment within the meaning of the present Treaty is carried out. This also applies if the transport is carried out on the territory of a contracting party or between it and a third country on behalf of a company in which capital is invested within the meaning of this Treaty. The transport charges are transferable in accordance with Article 6 of this Treaty.

(8)

Without prejudice to other procedures for determining citizenship, any person who holds a national passport issued by the competent authorities of the relevant Contracting Party shall be deemed to be a national of that Contracting Party.

Done at Bonn on 29 June 1962 in six copies, two in the French language, two in the German language and two in the English language, the French and German texts being equally authentic.

For the Federal Republic of Germany:

Carstens

For the Federal Republic of Cameroun:

Victor Kanga