AGREEMENT FOR THE RECIPROCAL PROTECTION AND PROMOTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF THE REPUBLIC OF CHINA AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC

The Government of the Republic of China and the Government of the Dominican Republic, hereinafter referred to as "the Parties", desiring to intensify economic cooperation in their respective countries;

Aiming to create favourable conditions for the inversíones made by companies and nationals of one Party in the territory of the other, on the basis of a stable framework and fair and equitable treatment;

Recognizing that the reciprocal promotion and protection of investments under a bilateral agreement stimulate the flow of private capital and initiatives in this field; increasing prosperity in both States;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. "Investment" shall mean every kind of productive action to be carried out in the territory of a Party and which is owned by nationals of the other Party, and includes:

a) contributions in freely convertible currency.

b) contributions in-kind, such as industrial plants, machinery, equipment, spare parts and components, raw materials or intermediate products, and final goods and intangible technological contributions.

c) shares and other forms of participation in companies and other financial instruments recognized under the laws of the host country.

d) in rem rights such as mortgages, liens, and pledges, usufructs, creditors' privileges, and other similar.

e) intellectual property rights, including patents, trademarks, trade services and licensing of manufacture, industrial designs, and provision of technical expertise.

e) rights to undertake economic and commercial activities conferred by law or under contract, including those related to exploration, cultivate, extract or exploit natural resources. contributions in freely convertible currency.

2. "Investor" means:

a) a physical or natural person who is a citizen of one of the Contracting Parties in accordance with the relevant laws.

b) any legal or moral person, company, association, or other organization, company constituted in accordance with the legislation of each Party and domiciled in the territory of that Party.

3. "Investment income" refers to the returns derived from an investment or linked to it, and includes interests, capital gains, profits, dividends, royalties, fees, and payments in kind.

4. "Territory" means the land area, the territorial sea and the soil and subsoil, including the airspace above it, of each of the Parties, as well as the exclusive economic zone and the continental shelf of each of the Parties, in accordance with its legislation and international law.

Article 2. Promotion and Admission

1. Each Party shall promote investments made in its territory by investors of the other Contracting Party and shall admit such investments in accordance with its legislation.

2. Without prejudice to the law relating to the entry and sojourn of aliens, each Party shall allow investors the entry and sojourn in the territory of the other Party to establish, develop, administering, or advising on an investment.

3. Companies which are legally constituted under the laws or regulations of a Party and investments within that legal framework, shall be permitted to engage managerial and technical personnel that choice regardless of nationality.

4. Neither Party shall establish compliance requirements as a condition for the establishment, expansion or maintenance of investments linked to specific commitments of export or local purchase of goods or services.

5. This Agreement shall also apply to investments made before its entry into force by investors of a Party in the territory of the other Parties, provided that they have been made in accordance with the laws of the other Party.

Article 3. Protection

1. Each Party shall protect investments made within its territory by nationals or companies of the other Party, in accordance with its laws; and shall not hinder by adopting unreasonable or discriminatory measures, the management, maintenance, use, enjoyment, extension and sale or disposal, where appropriate, the liquidation of such investments.

2. Each Party shall grant the necessary permits in connection with such investments and shall, within the framework of its laws, enforcement of labour contracts, licence manufacture, technical assistance, commercial, financial and administrative.

3. Each Party shall establish effective means of asserting claims and rights relating to investment agreements and investment authorizations.

Article 4. Treatment

1. Each Party shall ensure in its territory a fair and equitable treatment to investments by nationals or companies of the other party.

2. This treatment shall not be less favourable than that granted by each Party to investments made in its territory by investors of any third country that enjoyment of most-favoured-nation treatment; and no less favourable than that required by international law.

3. Each Party shall apply to investments of nationals or companies of the other party, in accordance with its legislation, a treatment no less favourable than that accorded to its own nationals or companies constituídas legally.

4. This treatment shall not apply, however, to which either party accords privileges to investors of third States by virtue of its participation in:

a) A free trade area.

b) A customs union.

c) A common market, or

d) Any multilateral international agreement under the World Trade Organization, which enter into force after the signature of this Agreement.

5. If the legislation of either Contracting Party or obligations under international law existing or future between the parties in addition to this Agreement or whether an agreement between an investor of one party and the other contracting party contain whether general or specific rules, accord to investments by investors of the other contracting party to a more favourable treatment than that provided for by the present Agreement, such rules shall to the extent that they are more favourable than the present Agreement.

6. The treatment granted under the present article shall not extend to deductions and tax exemptions or other similar privileges granted by either party to investors of third States by virtue of an agreement for the avoidance of double taxation or any other arrangement relating to taxation.

Article 5. Nationalisation and Expropriation

Nationalisation, expropriation or any other measure of similar nature and effect which may be taken by the competent

authorities of a Contracting Party against investments of citizens or companies of the other Contracting Party in its territory shall be applied exclusively for reasons of public utility or social interest, in accordance with the provisions of the law, and shall in no case be discriminatory. The Party taking such action shall pay prompt, appropriate, effective and freely transferable compensation at the exchange rate prevailing on the date of expropriation. The compensation shall be equivalent to the fair market value of the expropriated investment immediately before the expropriation is taken or becomes known.

Article 6. Compensation for Losses

Citizens or companies whose investments in the territory of the other Party suffer losses due to war, armed conflict, state of national emergency, insurrection, civil disturbance or any other similar circumstance shall be accorded by the other Party, by way of restitution, compensation, indemnification or other arrangement, treatment no less favourable than that accorded to its own citizens or companies or to citizens or companies of third countries. Any payment made under this provision shall be made in an expeditious, adequate, effective and freely transferable manner.

Article 7. Transfers

1. Each Party shall permit investors of the other Party to make transfers relating to investments in its territory freely and without delay. Such transfers include:

a) The investment income as defined in article 1;

b) The compensation provided for in article 5.

c) The compensation referred to in article 6;

d) The proceeds from the sale or the total or partial liquidation of investments;

e) Wages, salaries and other remuneration received by nationals of one Party who have obtained employment contracts in the other Party in connection with an investment.

2. Transfers shall be made in freely convertible currency at the rate of exchange prevailing on the date of transfer.

3. Transfers shall be made in compliance with the tax regulations in force in the Party receiving the investment, in particular with respect to reporting, withholding of income taxes or similar. In addition, each Party may protect the rights of creditors or ensure the enforcement of judgments rendered in judicial proceedings through the equitable, impartial and good faith application of its laws.

Article 8. Consultations

The Parties agree to consult promptly on the request of either Party to resolve any dispute arising under the present Agreement or to consider matters relating to the interpretation or application of the Agreement.

Article 9. Principle of Subrogation

1. In the event that a Party has provided any financial security for non-commercial risks in connection with an investment made by its nationals or companies in the territory of the other Party, the latter shall accept the subrogation of the first Party to the economic rights of the investor from the time the first Party has made a first payment from the security provided. This subrogation shall enable the first Party to be the direct beneficiary of any compensation payments to which the initial investor may be entitled.

2. With respect to property rights, use, usufruct or any other right in rem, subrogation may occur only after obtaining the appropriate authorizations in accordance with the laws in force in the Party where the investment was made.

Article 10. Disputes of Interpretation of the Agreement between the Parties

1. Any dispute between the Parties concerning the interpretation or application of this Agreement shall be settled as far as possible, by the Governments of the Parties through consultations and negotiations by diplomatic means.

2. If the dispute cannot be settled in this way within six months from the beginning of negotiations, may be submitted at the request of either Party to an arbitral tribunal.

3. The arbitration tribunal shall be composed of three members and shall be constituted as follows: each Party shall appoint one arbitrator and these two arbitrators shall elect a national of a third State who shall be appointed Chairman of the Tribunal. The two arbitrators shall be appointed within three months and the Chairman within five months from the date on which either Party has informed the other party of its intention to submit the dispute to an arbitration tribunal.

4. If a Party has not appointed its arbitrator within the abovementioned period, the other Party may request the International Chamber of Commerce to make the appointment.

5. The arbitration tribunal shall deliver its opinion on the basis of respect for the law, to the rules contained in this Agreement or in other agreements in force between the Parties; and on the universally recognized principles of International Law.

6. Unless the parties decide otherwise, the tribunal shall determine its own procedure.

7. The tribunal shall reach its decision by a majority of votes. Such decision shall be final and binding on both Parties.

8. Each Party shall bear the costs of the arbitrator appointed by it and its representation in the arbitral proceedings. Other expenses, including those of the Chairman, shall be borne equally by the Parties.

Article 11. Settlement of Disputes between a Contracting Party and an Investor of the other Party

1. Disputes arising under this Agreement between one of the Contracting Parties and an investor in the territory of the first shall to the extent possible amicable settled through consultations.

2. If consultations fail to produce an solution within 6 months from the date of request for settlement, the investor may submit the dispute to:

a) The competent courts of the Contracting Party in whose territory the investment was made;

b) The arbitration a national of the Party in whose territory the investment has been made; or

c) To international arbitration:

(i) To arbitration in accordance with the rules of the United Nations Commission on International Trade Law (UNCITRAL), where one of the Parties is not a member of the ICSID,

(ii) To the Court of Arbitration of the International Chamber of Commerce (ICC).

3. The arbitral tribunal shall decide on the basis of the provisions of this Agreement, the Law of the Contracting Party involved in the dispute, including the rules relating to conflicts of law, the terms of any specific agreement concluded in relation to the investment as well as the príncípios and rules of international law.

4. The arbitral awards shall be final and without appeal, binding for the contracting parties to the dispute. Each Party shall undertake to execute them in accordance with its national laws.

5. The Contracting Parties may not interfere by means of diplomatic actions in court proceedings or disputes submitted to international arbitration in accordance with this Article, until the relevant processes are completed, except where the other Contracting Party in the dispute has not complied with the court decision or the decision of the arbitral tribunal within the terms established in the respective decision or award.

Article 12. Entry Into Force, Extension and Termination

1. This Agreement shall enter into force thirty days after the date on which the two Governments have notified each other of the completion of the respective legal formalities required. It shall remain in force for an initial period of five years after its notification and, by tacit renewal, for consecutive periods of five years unless the Agreement is denounced.

2. Each Party may denounce this Agreement by a written notification, done at least six months before its expiration.

3. In the event of a denounciation, the provisions of this Agreement shall continue to apply to investments made before the date of its termination, for a period of five years.

In WITNESS WHEREOF, the representatives of the two Governments, duly authorized thereto by their respective Governments, have signed this Agreement in duplicate equal authentic and the two in the English and Chinese languages, in the city of Santo Domingo in the Fifth (5) day of the month of November of the year one thousand nine hundred and ninety-eight of the Gregorian calendar, corresponding to the Fifth (5) day of the month of November of the year eighty-seven of the Republic of China.

Ambassador Extraordinary and Plenipotentiary of the Republic of China

Kuo Kang

R. Eduardo Latorre

Secretary of State for Foreign Affairs of the Dominican Republic