Agreement between the People's Republic of China and the Great Socialist People's Libyan Arab Jamahiriya on the Promotion and Protection of Investment

The Government of the People's Republic of China and the Great Socialist People's Libyan Arab Jamahiriya (hereinafter referred to as "the Contracting Parties")

Willing to create favorable conditions for investors of the Contracting Parties to invest in the territory of the other Contracting Party;

Recognizing that mutual encouragement, promotion and protection of investment will help to stimulate investors for business operation and enhance the prosperity of the two countries, is willing to equality and mutual benefit on the basis of strengthening cooperation between the two countries to reach an agreement as follows:

Article 1. Definitions

For this Agreement:

1. The term "investment" means any property invested by an investor of a Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party, including but not limited to:

(a) movable property, immovable property and other property rights and similar rights, such as mortgage, pledges, etc.;

(b) shares, bonds, stocks or other forms of participation in the company;

(c) claims for money or any other investment-related claims that are of economic value;

(d) intellectual property rights, in particular copyright, patents, trademarks, trade names, technical processes, know-how and goodwill;

(e) Commercial concessions granted under law or conferred by contracts, including concessions for the exploration, cultivation, extraction or exploitation of natural resources.

Any change in the form of the property as investment in conformity with the laws and regulations of the Contracting Party in which the investment is located will not affect its nature as an investment.

2. The term "investor" means:

(a) a natural person who has a nationality of that Contracting Party under the law of either Contracting Party; investors do not include natural persons who have the nationality of the host country.

(b) legal entities, including companies, associations, partnerships and other organizations established or formed under the laws of either Contracting Party in the territory of that Contracting Party.

3. The term "returms" means money generated from the investment, including profits, dividends, interest, capital gains, royalties, expenses and other legal income.

4. The term "convertible currency" means any convertible currency that may be used in international business transactions for cash payments, which are circulated in the current international currency market and are freely convertible into other currencies.

5. The term "territory" means:

(a) for the People's Republic of China, refers to all the territory of the People's Republic of China, including its territorial waters, territorial sea and its airspace, and in accordance with international law and domestic law, for the purpose of

exploration and development of natural resources. China has sovereign rights or jurisdiction over territorial waters.

(b) For the Great Socialist People's Libyan Arab Jamahiriya, it means all territories, including territorial waters, territorial sea and its airspace, and the extension of the sovereign rights and jurisdiction of the Libyan Arab Jamahiriya Socialist Jamahiriya in accordance with international law beyond the territorial sea Exclusive economic zone and continental shelf.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall encourage investors of the other Contracting Party to invest in its territory and accept such investments in accordance with its laws and regulations.

2. Investments by investors of one Contracting Party shall be subject to continuous protection and security in investments in the territory of the other Contracting Party.

3. Without prejudice to its laws and regulations, a Contracting Party shall not take any unreasonable or discriminatory measures in the management, maintenance, use, enjoyment and disposition of investments of investors of the other Contracting Party in its territory.

4. Each Contracting Party shall, in accordance with its laws and regulations, provide assistance and facilities for the obtaining of visas and work permits for the nationals of the other Contracting Party engaged in investment-related activities in its territory.

Article 3. Investment Treatment

1. Investments by investors of one Contracting Party shall always enjoy fair and equitable treatment in investments in the territory of the other Contracting Party.

2. Without prejudice to its laws and regulations, each Contracting Party shall give investors of the other Contracting Party an investment in its territory and investment-related activities not less favorable than the investment and investment-related activities given to its investors.

3. The treatment of investment and investment-related activities of investors of the other Contracting Party in its territory shall not be less favourable than that accorded to the investment and investment-related activities of any third country investor.

4. The provisions of paragraph 3 of this Article shall not be construed as an obligation on the part of either Contracting Party to give investors of the other Contracting Party treatment, preferences or privileges arising from:

(a) customs unions, free trade zones, economic alliances and any international agreements, arrangements or alliances that produce such similar institutions;

(b) any international agreement or arrangement in whole or in relation to taxation;

(c) any arrangement to facilitate border trade in border areas.

Article 4. Expropriation

(1) A Contracting Party shall not expropriate, nationalize or take other similar measures on investments by investors of the other Contracting Party in its territory (hereinafter referred to as "expropriation"), unless all of the following conditions are met:

(a) for public interest;

(b) in accordance with domestic legal procedures;

(c) non-discriminatory;

(d) payment of compensation.

2. The compensation referred to in paragraph 1 of this Article shall be equal to the value that the investment had at an earlier time before the expropriation, or before the expropriation is known to the public. The compensation should be equal to the fair market value. The compensation shall include interest at the normal commercial interest rate on the date of payment from the date of expropriation. The payment of compensation should not be delayed and should be effectively convertible and freely transferred.

Article 5. Compensation for Damage and Losses

The investments of the investors of one Contracting Party in the territory of the other Contracting Party, that suffer losses as a result of war, national emergency, insurgency, riot or other similar events in the territory of the other Contracting Party, shall be treated by the latter party, with regards to restitution, compensation, settlements or other measures, not be less favourable than the treatment it gives to investors in its own country or any third country.

Article 6. Transfers

1. Any Contracting Party shall, in accordance with its laws and regulations, ensure that the investor of the other Contracting Party transfers the investment and proceeds in its territory, including:

(a) profits, dividends, interest and other legal income;

(b) all or part of the sale or liquidation of the proceeds of the investment;

(c) the repayment of the loan agreement relating to the investment;

(d) the royalties relating to matters in subparagraph (4) of Article 1, paragraph 1, of this Agreement;

(e) technical assistance or technical service fee, management fee;

(f) the payment of the contracted works;

(g) the income of the nationals of the other Contracting Party engaged in the investment-related work in the territory of the other Contracting Party.

2. The provisions of paragraph 1 of this Article shall not affect the free transfer of compensations in accordance with articles 4 and 5 of this Agreement.

3. The above transfers shall be made in freely convertible currency at the market exchange rate prevailing on the date of acceptance of the investment party.

Article 7. Subrogation

If the Contracting Party or its designated institution pays an investor in respect of an investment in the territory of the other Contracting Party in respect of a security or insurance contract for non-commercial risk, the other Contracting Party shall acknowledge that:

1. the rights and claims of the investor are transferred to the Contracting Party or its designated body in accordance with the laws or legal proceedings of the former Contracting Party; and

2. The predecessor Party or its designated institution shall act on behalf of the investor in the same manner as the investor, or enforce the investor's claim, and bear its investment-related obligations.

Article 8. Dispute Settlement between the Contracting Parties

1. Any dispute arising from the interpretation or application of this Agreement between the Contracting Parties shall be settled through consultation as far as possible through diplomatic channels.

2. If the dispute is not resolved within six months of the dispute, the dispute shall be submitted to the arbitral tribunal for settlement at the request of either Contracting Party.

3. The arbitral tribunal shall consist of three arbitrators. Within two months from the date of receipt of the written arbitration request, the Contracting Parties shall each appoint an arbitrator.

The two arbitrators shall, within two months from the date of appointment by the former two arbitrators, jointly select a third national who has diplomatic relations with the Contracting Parties as the presiding arbitrator.

4. If the arbitral tribunal fails to be formed within four months from the date of the filing of the written arbitration application, and there is no other agreement between the Contracting Parties, either Contracting Party may request the necessary appointment to the President of the International Court of Justice. If the President of the International Court of

Justice is a national of either Contracting Party or is unable to perform such an appointment for any other reason, the member of the International Court of Justice that follows in seniority and which is not a national of any of the Contracting Parties, shall be required to perform such appointment.

5. The arbitral tribunal shall, at its discretion, determine its procedure, and the arbitral tribunal shall render its decision in accordance with the principles of international law recognized in this Agreement and by both Contracting Parties.

6. The arbitral tribunal's decision shall be made by a majority of votes. The award is final and binding on both parties. The arbitral tribunal shall, at the request of either Contracting Party, interpret its decision.

7. The Contracting Parties shall bear the costs of their appointed arbitrators and their attendance at the arbitral proceedings. The corresponding costs of the presiding arbitrator and the arbitral tribunal shall be borne equally by both Contracting Parties.

Article 9. Dispute Settlement between a Contracting Party and an Investor of the other Contracting Party

1. Any legal dispute between an investor of a Contracting Party and an investment between the other Contracting Party in respect of an investment in the territory of the other Contracting Party shall, as far as possible, be settled by negotiation by a negotiating party.

2. If the dispute fails to be settled through consultation within 6 months from the date of the settlement of the dispute, the dispute shall be submitted according to the investor's choice:

(a) To the courts of the party to the dispute that has jurisdiction over the dispute;

(b) The International Center for the Settlement of Investment Disputes established in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, signed on March 18, 1965, when both Contracting Parties are members of the Convention; or

(iii) ad hoc arbitral tribunals established in accordance with the UNCITRAL arbitration rules.

The party involved in the dispute may require the investor concerned to exhaust the domestic administrative review procedures required by the party's laws and regulations before submitting the dispute to the arbitral tribunal referred to in subparagraphs (b) and (c) of this paragraph.

This option shall be final once the investor submits the dispute to one of the three procedures described in this paragraph.

3. Each Contracting Party hereby unconditionally agrees to submit its dispute with the investor of another Contracting Party to the arbitration settlement in accordance with the provisions of this Article.

4. The arbitral award shall be made in accordance with the laws of the contracting party, including its rules of conflict of laws, the provisions of this Agreement, and generally accepted principles of international law.

5. The award is final and binding on both parties to the dispute. The Contracting Parties shall bear the obligation to enforce the award.

Article 10. Other Obligations

1. If the legislation of one Contracting Party or an existing international obligation between the two Contracting Parties establishes a preferential treatment for the investment of the investors of the Contracting Party than that provided in this Agreement, the status of a more preferential treatment, will not be affected by this Agreement.

2. Each Contracting Party shall abide by its commitments with respect to investments made by investors of the other Contracting Party.

Article 11. Application

This Agreement shall apply to investments made by Contracting Parties before or after the termination of this Agreement in accordance with any other Contracting Party in the Contracting Party, but it shall not apply to disputes arising prior to the entry into force of this Agreement.

Article 12. Consultation

1. Representatives of the contracting parties shall hold irregular meetings for the following purposes:

(a) To review the implementation of this agreement;

(b) To exchange legal information and investment opportunities;

(c) To resolve disputes arising from investments;

(d) To put forward suggestions for promoting investment;

(e) to study other matters relating to investment.

2. If a Contracting Party has proposed consultations on any of the matters listed in paragraph 1 of this Article, the other Contracting Party shall respond promptly and the consultations will take place alternatively in Beijing and in Tripoli.

Article 13. Entry Into Force, Duration and Termination

1. Each Contracting Party shall notify each other in writing through diplomatic channels of the respective domestic legal procedures necessary for the entry into force of this Agreement. This Agreement shall enter into force on the thirtieth day after the date of receipt of the latter notification for a period of 10 years.

2. This Agreement shall remain in force if neither Contracting Party has notified the other Contracting Party of this Agreement in writing at any time before or after the expiry of the first 10 years of validity of this Agreement.

3. The provisions of Articles 1 to 12 of this Agreement shall continue for a period of 10 years from the date of termination of this Agreement for investments made prior to the date of termination of this Agreement.

4. This Agreement may be amended by a written agreement between the Parties. Any modification shall take effect in accordance with the same procedure as the procedure required for the entry into force of this Agreement.

The parties hereby duly authorize their respective representatives to sign this Agreement with the consent of the parties.

The Agreement was signed in Beijing on 4 August 2010 in duplicate in the Chinese, Arabic and English languages, all texts being equally authentic. In the event of any ambiguity, the English language shall prevail.

For the Government of the People 's Republic of China

Chen Deming

For the Great Socialist People's Libyan Arab Jamahiriya

Abu Sheikh Hafez Zelitani