

# **Agreement between the Government of the French Republic and the Government of the Republic of Korea on the Encouragement and Protection of Investments**

The Government of the French Republic and the Government of the Republic of Korea,

Desiring to enhance economic cooperation between the two States and intensify cooperation between businesses in order to stimulate economic initiatives,

In order to create favourable conditions for investments by nationals or juridical persons of one of the two States in the territory of the other State,

Recognizing the need to protect investments by nationals or legal persons of either State and to stimulate the flow of capital to economic prosperity of both States;

Have agreed as follows:

## **Article 1.**

1. Each Contracting Party shall promote investments in its territory by nationals or legal persons of the other Contracting Party in accordance with its laws and regulations.
2. Each Contracting Party shall accord fair and equitable treatment to investments made in its territory by nationals or legal persons of the other Contracting Party, in particular as regards both the pursuit of the professional activities associated with such investments that management, administration, enjoyment and the use of such investments. this treatment shall be at least equal to that which shall be accorded to investments of nationals or juridical persons of any third State.
3. However, in tax matters, each Contracting Party shall accord to nationals and companies of the other party the même treatment than that accorded to its nationals and companies which are placed in the same position.

## **Article 2.**

For the purposes of this Agreement:

1. The term "Investment" includes all categories of goods and in particular, though not exclusively:
  - a) Movable and immovable property as well as other rights in rem such as mortgages, liens, bonds, usufruits and similar rights;
  - b) The shares, bonds, premiums or discounts and other forms of participation;
  - c) Reproduction and copyrights, industrial property rights and patents, trademarks technical processes, and the names and intangibles funds of trade;
  - d) Concessions granted by law or under contract, including those situated in adjacent maritime areas in which the contracting parties exercise sovereign rights;
  - e) Claims or entitlements having an economic value.
2. A. - the term "national" means:
  - a) As regards the French Republic, a person who according to its domestic legislation, a French nationality;
  - b) With respect to the Republic of Korea, a person who, according to the Law of the Republic of Korea, a Korean nationality.

B. - The term "legal person" means:

a) As regards the French Republic, any juridical person in France in accordance with its domestic law and having its registered office;

b) With respect to the Republic of Korea, any legal person, association or corporation limited or not for profit and whether or not incorporated in the territory of the Republic of Korea in accordance with the laws and regulations of the Republic of Korea, and in which nationals of the Republic of Korea have a significant direct or indirect participation.

### **Article 3.**

1. Investments made by nationals or legal persons of either Contracting Party shall enjoy full protection and security in the territory of the other party.

2. Investments made by nationals or legal persons of either Contracting Party in the territory of the other Contracting Party shall not be the subject of a measure of expropriation, nationalization or dispossession other direct or indirect unless the following conditions are met:

a) The measures are taken in the public interest and under due process;

b) They are neither discriminatory nor contrary to a specific engagement;

c) They are accompanied by provisions for the payment of compensation in full.

3. The amount of such compensation shall represent the genuine value of the asset in question from the date on which the measure was taken; it shall be paid to persons who are entitled to be freely transferred without delay.

### **Article 4.**

Investments made under a special agreement of one of the Contracting Parties in businesses owned by nationals or companies of the other party shall be governed by the provisions of this Agreement and that agreement. If investors upon request, each Contracting Party to this agreement would special provision for the use, in the event of a dispute, the International Centre for the Settlement of Investment Disputes (ICSID).

### **Article 5.**

If either Contracting Party makes payment to its nationals or juridical persons under a guarantee covering an investment made in the territory of the other contracting party, the latter shall recognize the transfer of any rights of nationals or juridical persons of the first Contracting Party and the subrogation in those rights it shall be entitled to claim to the same extent as its predecessor in title.

### **Article 6.**

1. Each Contracting Party shall guarantee, in respect of investments by nationals or juridical persons of the other contracting party, the transfer of capital gains from, and in the event of liquidation, to the proceeds from the liquidation.

2. The transfers mentioned above shall be made at the official exchange rate applicable on the date of transfer without discrimination to rate for this category of transactions.

3. Any authorisation to transfer shall be issued and all transfers shall be effected without restriction and without undue delay in accordance with the most favourable regulations in force in the territory of each Contracting Party.

### **Article 7.**

1. Disputes concerning the interpretation or application of this agreement should, if possible, be settled by both contracting parties.

2. If a dispute cannot be settled in this way within six months, it shall be submitted, unless either Contracting Party so requests, to an arbitration tribunal.

3. The arbitral tribunal shall be constituted for each individual case, each contracting party appointing one member and these two Members choosing by mutual agreement, as Chairman, a national of a third State to be appointed by the two

contracting parties. such members shall be appointed within two months and the Chairman within three months after the date on which either Contracting Party has informed the other contracting party that it wishes to sou-mettre the dispute to an arbitration tribunal.

4. If the arbitral tribunal has not been constituted within the time frame laid down in paragraph 3 above and any extension has been agreed by the two contracting parties, and in the absence of any other agreement on the settlement of the dispute, either party may request the President of the International Chamber of Commerce to make the necessary appointments.

5. The arbitral tribunal shall base its decision on the provisions of this Agreement in accordance with the principles of law. before the arbitral tribunal makes its decision, it may at any stage of the proceedings the parties to propose an amicable settlement.

6. The arbitral tribunal shall reach its decisions by a majority of votes. these decisions shall be binding. each Contracting Party shall bear the costs of the arbitrator appointed by him or her place. the cost of the Chairman and the remaining costs shall be borne in equal parts by the two contracting parties. unless the Contracting Parties decide otherwise, the tribunal shall determine its own procedure.

## **Article 8.**

This Agreement shall also apply to investments in the territory of a Contracting Party in accordance with its laws and regulations prior to the entry into force of this Agreement by nationals or legal persons of the other contracting party.

## **Article 9.**

1. This agreement will be approved in accordance with the constitutional procedures in force in the territory of each of the Contracting Parties.

2. This Agreement shall enter into force on the first day of the month following the exchange of notifications recognizing that both sides have been met.

3. This agreement is concluded for a period of ten years and shall continue in force thereafter unless after the expiration of the initial ten year period either contracting party notifies the other party in writing of its intention to terminate the agreement. such denunciation shall take effect one year after the notification is received by the other contracting party.

4. In the event of termination, the provisions of this Agreement shall continue to apply to investments covered by its provisions and carried out during the period of its validity.

For the Government of the French Republic:

Robert Boulin

For the Government of the Republic of Korea:

Suk Heu Yun