DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FRANCE AND THE GOVERNMENT OF ((.....)) ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of France and the Government of ((.....)) hereinafter referred to as the Contracting Parties,

Desiring to strengthen the economic cooperation between both States and to create favourable conditions for French investments in ((.....)) and ((.....)) investments in France,

Convinced that the promotion and protection of these investments would succeed in stimulating transfers of capital and technology between the two countries in the interest of of their economic development,

Have agreed as follows.

Article 1.

For the purpose of this Agreement :

1. The term "investment" means every kind of goods, rights and interest of whatever nature, in particular though not limited to the following:

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

b) Share, premium on share and other kinds of interest including minority or indirect form, in companies constituted in the territory of the other Contracting Party;

c) Title to money or debentures, or title to any legitimate performance having an economic value;

d) Copyrights, industrial property rights (such as patents, licences, trademarks, industrial models and mockups), technical processes, tradenames and goodwill;

e) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources, including those which are located in the maritime area of the Contracting Parties,

it being understood that those investments are investments which have already been made or may be made subsequent to the entering into force of this Agreement, in accordance with the legislation of the Contracting Party on the territory or in the maritime area of which the investment is made.

Any alteration of the form in which assets are invested shall not affect their qualification as investments provided that such alteration is not in conflict with the legislation of the Contracting Party on the territory or in the maritime area of which the investment is made.

2. The term "nationals" means physical persons possesing the nationality of either Contracting Party.

3. The term "company" means any legal person constituted on the territory of one Contracting Party in accordance with the legislation of that Party, having its head office on the territory of that Party, or controlled directly or indirectly by the nationals of one Contracting Party, or by legal persons having their head office in the territory of one Contracting Party and constituted in accordance with the legislation of that Party.

4. The term "revenue" means all amounts produced by an investment, such as profits, royalties and interest, during a given period.

Investment revenues and, in the case of re-investment, re-investment revenues shall enjoy the same protection as the

investment.

5. This Agreement shall apply to the territory of each Contracting Party, as well as the maritime area of each Contracting Party, hereafter defined as the economic zone and the continental shelf outwards the territorial sea over which they have in accordance with International Law sovereign rights and a jurisdiction with a view to prospecting, exploiting and preserving natural resources.

Article 2.

Each Contracting Party shall admit and encourage on its territory and in its maritime area, in accordance with its legislation and with the provisions of this Agreement, investments made by nationals or companies of the other Contracting Party.

Article 3.

Either Contracting Party shall extend fair and equitable treatment in accordance with principles of International Law to investments made by nationals and companies of the other Contracting Party on its territory or in its maritime area and shall ensure that the exercise of it is thus recognized shall not be hindered by law or in practice.

Article 4.

Each Contracting Party shall apply on its territory and its maritime area to the nationals and companies of the other Party, with respect to their investments and activities related to the investments, a treatment not less favourable than that granted to its nationals or companies, or the treatment granted to the nationals or companies of the most favoured nation, if the latter is more favourable. In this respect, nationals authorized to work in the territory and in the maritime area of one Contracting Party shall enjoy the material facilities, relevant to the exercise of their professional activities.

This treatment shall not include the privileges granted by one Contracting Party to nationals or companies of a third party State by virtue of its participation or association in a free trade zone, customs union, common market or any other form of economic organization.

Article 5.

1. The investments made by nationals or companies of one Contracting Party shall have full and complete protection and safety on the territory and in the maritime area of the host Contracting Party.

2. Neither Contracting Party shall take any measures of expropriation or nationalization or other measures having the effect of dispossesion, direct or indirect, of nationals or companies of the other Contracting Party of their investments on its territory and its maritime area, except in the public interest and provideed that these measures are not discriminatory or party to a particular obligation.

Any measures of dispossession which might be taken shall give rise to prompt and adequate compensation, the amount of which shall be calculated on the basis of the real value of the investments concerned and shall be set in accordance with the normal economic situation prevailing prior to any threat of dispossession.

The said compensation, the amounts and conditions of payment, shall be set not later than the date of dispossession. This compensation shall be effectively realizable, shall be paid without delay and shall be freely transferable. Until the date of payment, it shall produce interest calculated at the appropriate market rate of interest.

3. Nationals or companies of one Contracting Party whose investments have sustained losses due to war or any other armed conflict, revolution, national state of emergency or revolt occurring on the territory or in the maritime areas of the other Contracting Party, shall enjoy treatment from the latter Contracting Party that is not less favourable than that granted to its own nationals or companies or to those of the most favoured nation.

Article 6.

Each Contracting Party, on the territory or in the maritime area of which the investments have been made by national or companies of the other Contracting Party, shall guarantee to these nationals and companies the free transfer of :

a) interest, dividends, profits and other current income,

b) royalties deriving from incorporal rights as defined in Section 1.1 (d) and (e).

c) repayments of loans which have been regularly contracted,

d) value of partial or total liquidation of the investment, including capital gains on the capital invested,

e) compensation for disposession or loss described in Sections 5.2 and 5.3 above.

The nationals of either Contracting Party, who have been authorized to work on the territory or in the maritime area of the other Contracting Party, as the result of an approved investment, shall also be permitted to transfer to their country of origin an appropriate proportion of their earnings.

The transfers referred to in the foregoing paragraphs shalle be promptly effected at the official exchange rate prevailing on the date of transfer.

Article 7.

In the event that the regulation of one Contracting Party contain a guarantee for investments made abroad, this guarantee may be accorded, after examining case by case, to investments made on the territory or in the maritime area of the other Party by nationals or companies of this Party.

Investments made by nationals or companies of one Contracting Party on the territory or in the maritime area of the other Contracting Party may obtain the guarantee referred to in the foregoing paragraph only if they have been previously agreed to by the other Party.

Article 8.

Any dispute concerning the investments occurring between one Contracting Party and a national or company of the other Contracting Party shall be settled amicably between the two parties concerned.

If this dispute has not been settled within a period of six months from the date at which it occurred by one or other of the parties to the dispute, it shall be submitted at the request of either party to the arbitration of the International Centre for the Settlement of Investment Disputes (ICSID), creates by the Convention for the settlement of disputes in respect of investments occurring between States and nationals of other States signed in Washington on March 18, 1965.

Article 9.

If one Contracting Party, as a resukt of a guarantee given for an investment made on the territory or in the maritime area of the other Contracting Party makes payments to its own nationals or companies, the first mentioned Party has on this case full rights of subrogation with regard to the rights and actions of the said national or company.

The said payments shall not affect the rightsof the beneficiary of the guarantee to recourse to the ICSID or to continue proceedings submitted to it until completion of the proceedings.

Article 10.

Investments having formed the subject of a special commitment of one Contracting Party, with respect to the nationals or companies of the other Contracting Party, shall be governed,without prejudice to the provisions of this Agreement, by the terms of the said commitment if the latter include provisions more favourable than those of this Agreement.

Article 11.

1. Disagreements relating to the interpretation or application of this Agreement shall be settled, if possible, by diplomatic channels.

2. If the disagreement has not been settled within a period of six months from the date which the matter was raised by either Contracting party, it may be submitted at the request of either Contracting Party to an Arbitral Tribunal.

3. The said Tribunal shall be created as follows for each specific case:

Each Contracting Party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint by mutual agreement a third arbitrator, who must be a national of a third party, and who shall be designated as Chairman of the Tribunal by the two Contracting Parties. The arbitrators must be appointed within two months from the date of notification by one Contracting Party to the other Contrcating Party of its intention to submit the disagreement to arbitration.

4. If the periods specified in Section 11.3 above have not been met, either Contracting Party, in the absence of any other agreement, shall invite the Secretary General of the United Nations Organisation to make the necessary appointments. If the Secretary General is a national of either Contracting Party, or if he is otherwise prevented from discharging the said function, the under-Secretary next in seniority to the Secretary General, who is not a national of either Contracting Party, shall make the necessary appointments.

5. The tribunal shall reach its decisions by a majority of votes. These decisions shall be final and legally binding upon the Contracting Parties.

The Tribunal shall set its own rules of procedure. It shall interpret the judgment at the request of either Contracting Party. Unless otherwise decided by the tribunal, in accordance with special circumstances, the legal costs, including the fees of the arbitrators, shall be shared mutually between the two Governments.

Article 12.

Each Party shall notify the other of the completion of the constitutional procedures required concerning the entry into force of this Agreement, which shall enter into force one month after the date of receipt of the final notification.

The Agreement shall be in force for an initial period of ten years. It shall remain in force thereafter, unless one of the Contracting Parties gives one year's written notice of termination through diplomatic channels.

In case of termination of the period of validity of this Agreement, investments made while it was in force shall continue to enjoy the protection of its provisions for an additional period of twenty years.

Signed in ....., on ..... in duplicate in the French and ((.....))languages, both texts being equally authentic.

For the Government of the Republic of France

For the Government of ((....))

Exchange of Letters

Your Excellency,

It have the honour to refer to the Agreement signed today between the Government of the Republic of France and the Government of ((.....)) on the Reciprocal Promotion and Protection of Investments, and wish to inform you that the interpretation of this Agreement is the following, as regards Article 3:

(a) - We shall consider as de jure or de facto impediments to fair and equitable treatment any restriction on the purchase or transport of raw materials and auxilliary materials, energy and fuels, as well as the means of production and operation of all types, any hindrance of the sale or transport of products within the country and abroad, as well as any other measures that have similar effect.

(b) - Within the framework of their internal legislation, the Contracting Parties shall favourably examine requests for entry and authorization to reside, work and travel made by the nationals of one Contracting Party in relation to an investment made on the territory or in the maritime area of the other Contracting Party.

I would appreciate receiving from you a declaration of the agreement of your Government to the contents of this letter.

With the assurance of my highest esteem,

Yours sincerely,