

# **AGREEMENT BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS**

The Government of the Hashemite Kingdom of Jordan and The Government of the People's Republic Of China (hereinafter the "Contracting Parties");

Desiring to promote greater economic cooperation between them, with respect to investments made by investors of one Contracting Party in the territory of the Contracting Party;

Recognizing that agreement upon the treatment to be accorded to such investments will stimulate the flow of capital and the economic development of the Contracting Parties;

Agreeing that a stable framework for investment will maximize effective utilization of economic resources and improve living standards;

Have agreed as follows:

## **Article 1. Definitions**

For the purposes of this Agreement:

1. The term "investment" means every kind of assets invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its laws and regulations and shall include in particular, 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. Stocks, shares, debentures and other forms of participation in companies;
- c. Claims to money or to any performance having a financial value associated with an investment;
- d. Intellectual property rights, as defined in the multilateral agreements concluded under the auspices of the World Intellectual Property Organization, in as far as both Contracting Parties are parties to them, including, but not limited to, copyrights, industrial property rights, trademarks, patents, industrial designs and technical processes, know-how, trade secrets, trade names and goodwill;
- e. Business concessions conferred by law or under contract permitted by law including concessions to search for, cultivate, extract or exploit natural resources.

Any change of the form in which assets are invested or reinvested shall not affect their character as an investment, provided that such change is not contrary to the approvals granted, if any, to the assets originally invested.

2. The term "investor" means in respect of either Contracting Party:

- a. Natural persons who have the nationality of either Contracting party in accordance with the laws of that Contracting Party;
  - b. Economic entities, including companies, corporations, associations, partnerships and other organizations, incorporated and constituted under the laws and regulations of either Contracting Party and have their seats in the Contracting party;
3. The term "returns" means income deriving from an investment and includes, in particular though not exclusively, profits, dividends, interests, capital gains, royalties, patent and license fees, and any other fees.

4. The term "without delay" means that a transfer shall be deemed to have been made if effected within such period as is normally required for the completion of transfer formalities. The said period shall commence on the day on which the relevant request for transfer has been submitted and may on no account exceed two month.

5. The term "freely convertible currency" shall mean any currency that the international Monetary Fund determines, from time to time, as freely usable currency in accordance with the Articles of Agreement of the International Monetary Fund and any amendment thereto.

6. The term "territory" means the territory of the Hashemite Kingdom of Jordan or the territory of the People's Republic of China respectively, as well as those maritime areas adjacent to the outer limit of the territorial sea, including the seabed and subsoil of either of the above territories, over which the State concerned exercises, in accordance with international law, sovereign rights and jurisdiction.

## **Article 2. Promotion and Admission of Investments**

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.

2. In order to encourage mutual investment flows, each Contracting Party shall endeavour to inform the other Contracting Party, at the request of either Contracting Party on the investment opportunities in its territory.

3. Each Contracting Party shall, subject to its laws and regulations relating to the entry, stay and work of natural persons, examine in good faith and give due consideration, to request of key personnel including top managerial and technical persons who are employed for the purposes of investments in its territory, to enter, remain temporary and work in its territory. Immediate family members of such key personnel shall also be granted similar treatment with regard to the entry and temporary stay in the host Contracting Party.

## **Article 3. Protection of Investments**

1. Each Contracting Party shall extend in its territory full protection and security to investments and returns of investors of the other Contracting Party. Neither Contracting Party shall hamper, by arbitrary or discriminatory measures, the development, management, maintenance, use, enjoyment, expansion, sale and the liquidation of such investments.

2. Investments or returns of investors of either Contracting Party in the territory of the other Contracting Party shall be accorded fair and equitable treatment in accordance with applicable principles of international law recognized by both Contracting Parties.

## **Article 4. National Treatment and Most Favoured Nation Treatment**

1. Without prejudice to its laws and regulations, each Contracting Party shall accord to investments, returns and activities associated with such investments by investors of the other Contracting Party treatment not less favourable than that accorded to the investments, returns and associated activities of its own investors.

2. Without prejudice to its laws and regulations, each Contracting Party shall accord to investments, returns and activities associated with such investments by investors of the other Contracting Party treatment not less favorable than that accorded to the investments, returns and associated activities of investors of any third State.

3. The investor concerned has the right to choose between the treatment mentioned in paragraphs 1 or 2 of this Article whichever is more favourable. paragraphs 1 or 2 of this Article whichever is more favourable.

4. The provisions of paragraph 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege, which may be extended by the former Contracting party by virtue of: paragraph 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege, which may be extended by the former Contracting party by virtue of:

a. Any existing or future customs union or economic union, free trade area or similar international agreements to which either of the Contracting party is or may become a party in the future;

b. Any international agreement or arrangement, completely or partially related to taxation.

## **Article 5. Expropriation**

1. A Contracting Party shall not expropriate or nationalize directly or indirectly an investment in its territory of an investor of the other Contracting Party or take any measure or measures having equivalent effect (hereinafter referred to as "expropriation") except:

- a. For a purpose which is in the public interest,
- b. On a non-discriminatory basis,
- c. In accordance with domestic legal procedure, and
- d. Accompanied by payment of compensation.

2. Compensation shall be equivalent to the market value of the expropriated investment immediately before the expropriation occurred. The market value shall not reflect any change in value occurring because the expropriation had become publicly known earlier. The compensation shall include interest at a commercial rate from the date of expropriation until the date of payment.

3. Compensation shall be paid without delay.

4. Compensation shall be fully realizable and freely transferable.

5. An investor of a Contracting Party affected by the expropriation carried out by the other Contracting Party shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this Article, by a judicial authority or another competent and independent authority of the latter Contracting Party.

## **Article 6. Compensation for Damage or Loss**

1. When investments made by investors of either Contracting Party suffer loss or damage owing to war or other armed conflict, civil disturbances, state of national emergency, revolution, riot or similar events in the territory of the other Contracting party they shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favourable than the treatment that the latter Contracting Party accords to its own investors or to investors of any third State, whichever is more favourable to the investors concerned.

2. Without prejudice to paragraph 1 of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party resulting from: paragraph 1 of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party resulting from:

a. Requisitioning of their property or part thereof by its forces or authorities;

B destruction of their property or part thereof by its forces or authorities which was not caused in combat or was not required by the necessity of the situation, shall be accorded restitution, or compensation for the damage or loss sustained during the period of requisitioning as a result of destruction of their property.

## **Article 7. Transfers**

1. Each Contracting Party shall, guarantee to the investors of the other Contracting Party the transfer of their investments and returns held in its territory, including though not exclusively:

- a. Profits, dividends, interests and other legitimate income;
- b. Proceeds obtained from the total or partial sale or liquidation of investments;
- c. Payments pursuant to a loan agreement in connection with investments;
- d. Royalties in relation to the matters in Paragraph 1(d) of Article 1; Paragraph 1(d) of Article 1;
- e. Payments of assistance or technical service fee, management fee;
- f. Payments in connection with contracting projects;
- g. Payments arising out of the settlement of an investment dispute under Article 10; Article 10;

h. Earnings of nationals of the other Contracting party who work in connection with an investment in its territory.

2. Each Contracting Party shall ensure that the transfers under paragraph 1 of this Article are made in a freely convertible currency without delay. Each Contracting Party shall further ensure that such transfers may be made at the market rate of exchange prevailing on the date of transfers. paragraph 1 of this Article are made in a freely convertible currency without delay. Each Contracting Party shall further ensure that such transfers may be made at the market rate of exchange prevailing on the date of transfers.

## **Article 8. Subrogation**

If one Contracting Party or its designated Agency makes a payment to its investor under an indemnity given in respect of an investment made in the territory of the other Contracting Party, the latter Contracting Party shall recognize the assignment of all the rights and claims of the indemnified investor to the former Contracting Party or its designated agency, by law or by legal transactions, and the right of the former Contracting Party to exercise by virtue of subrogation any such right to the same extent as the investor.

## **Article 9. Application of other Obligations**

1. If the provisions of law of either Contracting Party or international obligations existing at present or established thereafter between the Contracting Parties in addition to the present Agreement, contain a rule, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such rule shall to the extent that it is more favourable prevail over the present Agreement.

2. Each Contracting Party shall observe any contractual obligation it may have entered into towards an investor of the other Contracting Party with regard to investments approved by it in its territory.

## **Article 10. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party**

1. Any legal dispute between an investor of one Contracting Party and the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the parties to the dispute.

2. If the dispute cannot be settled through negotiations within six months, the investor concerned shall be entitled to submit the dispute to the competent court of the Contracting Party in whose territory the investment is made.

3. If the dispute cannot be settled after resort to negotiations as specified in Paragraph (1) of this Article, the dispute may be submitted at the request of the investor concerned to: Paragraph (1) of this Article, the dispute may be submitted at the request of the investor concerned to:

a. The International Center for Settlement of Investment Disputes (ICSID), under the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington on March 18th, 1965; or Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for signature in Washington on March 18th, 1965; or

b. An ad hoc arbitral tribunal provided that the Contracting Party involved in the dispute may require the investor concerned to exhaust the domestic administrative review procedure specified by the laws and regulations of that Contracting Party before submission of the dispute to the aforementioned arbitration procedure.

However if the investor concerned has resorted to the procedure specified in Paragraph (2) of this Article, the provisions of this Paragraph shall not apply.

4. Without prejudice to Paragraph (3) of this Article, the ad hoc arbitral tribunal, unless otherwise agreed upon by the parties to the dispute, is to be established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). Paragraph (3) of this Article, the ad hoc arbitral tribunal, unless otherwise agreed upon by the parties to the dispute, is to be established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

5. The arbitral tribunal referred to in Paragraph (4) shall consist of three arbitrators. The tribunal shall reach its award by a majority of votes. Such award shall be final and binding upon both parties to the dispute. Both Contracting Parties shall commit themselves to the enforcement of the award in accordance with their respective domestic law. Paragraph (4) shall consist of three arbitrators. The tribunal shall reach its award by a majority of votes. Such award shall be final and binding upon both parties to the dispute. Both Contracting Parties shall commit themselves to the enforcement of the award in

accordance with their respective domestic law

6. The tribunal shall adjudicate in accordance with the law of the Contracting Party to the dispute accepting the investment including the rules on the conflict of laws, the provision of this Agreement as well as the generally recognized principles of international law accepted by both Contracting Parties.

7. Each party shall bear the costs of its appointed arbitrator and of its representation in arbitral proceedings. The relevant costs of the chairman and shall be borne in equal parts by the parties to the dispute. The tribunal may in its award direct that a higher proportion of the costs be born by one of the parties to the dispute.

8. A Contracting Party which is a party to a dispute shall not, at any stage of conciliation or arbitration proceedings or enforcement of an award, raise the objection that the investor who is the other party to the dispute has received an indemnity by virtue of a guarantee in respect of all or a part to the dispute has received an indemnity by virtue of a guarantee in respect of all or a part of its losses, provided that the investor's claim does not cover the already indemnified loss.

## **Article 11. Settlement of Disputes between the Contracting Parties**

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible by negotiations.

2. If a dispute according to paragraph 1 of this Article cannot be settled within six (6) months it shall upon the request of either Contracting Party be submitted to an arbitral tribunal. paragraph 1 of this Article cannot be settled within six (6) months it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

3. Such arbitral tribunal shall be constituted ad hoc as follows: each Contracting party shall appoint one arbitrator and these two arbitrators shall agree upon a national of a third States as their chairman. Such arbitrators shall be appointed within two (2) months from the date one Contracting Party has informed the other Contracting Party, of its intention to submit the dispute to an arbitral tribunal, the chairman of which shall be appointed within two (2) further months.

4. If the periods specified in paragraph 3 of this Article are not 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 of the International Court of Justice is a national of either of the Contracting Parties or if he is otherwise prevented from discharging the said function, the Vice-president or in case of his inability the member of the International court of Justice next in seniority should be invited under the same conditions to make the necessary appointments. paragraph 3 of this Article are not 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 of the International Court of Justice is a national of either of the Contracting Parties or if he is otherwise prevented from discharging the said function, the Vice-president or in case of his inability the member of the International court of Justice next in seniority should be invited under the same conditions to make the necessary appointments.

5. The tribunal shall establish its own rules of procedure.

6. The arbitral tribunal shall reach its decision by virtue of the present Agreement and pursuant to the rules of international law recognized by both parties. It shall reach its decision by a majority of votes; the decision shall be final and binding.

7. Each Contracting Party shall bear the costs of its own member and of its legal representation in the arbitration proceedings. The costs of the chairman and the remaining costs shall be bone in equal parts by both Contracting Parties. The tribunal may, however, in its award determine another distribution of costs.

## **Article 12. Application of the Agreement and Entry Into Force**

1. This Agreement shall apply to investments made prior to or after the entry into force of this Agreement, but shall not apply to any investment dispute that may have arisen before its entry into force.

2. This Agreement shall enter into force on the date of receipt of the latter notification through diplomatic channels by which either Contracting Party notifies the other Contracting Party that its internal legal requirements for the entry into force of this Agreement have been fulfilled.

## **Article 13. Duration and Denunciation**

1. This Agreement shall remain in force for a period of ten (10) years and shall be extended thereafter for following ten years

periods unless, one year before the expiration of the initial or any subsequent period, either Contracting Party notifies the other Contracting Party of its intention to denounce the Agreement. In that case, the notice of denunciation shall become effective by the expiration of current period of ten (10) years.

2. In respect of investments made prior to the date when the notice of denunciation of this Agreement becomes effective, the provisions of this Agreement shall continue to be effective for a period of ten (10) years from the date of denunciation of this Agreement.

Done at Amman on 2001/11/05 in two original versions, in the Arabic, Chinese and English languages, all three texts being equally authentic. In a case of divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA