

CONVENTION BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF LIBERIA ON THE RECIPROCAL ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Republic of Liberia (hereinafter referred to as the Contracting Parties),

Desiring to develop economic cooperation between the two States,

Have agreed as follows:

Article 1.

For the purposes of this Convention:

1. The term "investment" means assets, rights and interests of any kind and particularly but not limited to:

- a) Movable and immovable property as well as any other rights in rem such as mortgages, liens, usufructs, deposits and similar rights;
- b) Shares, stocks and other forms of participation, even minority or indirect, in companies incorporated in the territory of one of the Parties;
- c) Claims, bonds or any other legitimate rights to performance having an economic value;
- d) Copyrights, industrial property rights, technical processes, trade names and goodwill;
- e) Concessions granted by law or under contract, including concessions to search for, culture, extract or exploit natural resources including those situated in adjacent maritime areas in which the contracting parties exercise sovereign rights, provided that such investments are investments which have already been made or may be made after the entry into force of this Convention, in accordance with the respective laws of the two contracting parties.

Any alteration of the form in which assets are invested shall not affect their classification as investment, provided that such change is not contrary to the legislation of the State in whose territory the investment is made and is in conformity with the approval granted to the initial investment.

2. The term "national" means natural persons having the nationality of one of the Contracting Parties.

3. The term "company" juridical means any person in the territory of one of the Contracting Parties in accordance with its law and having its head office and controlled by the interests of one of the Contracting Parties.

Article 2.

Each Contracting Party recognizes and promotes in its territory, within the framework of its laws, investments made in its territory by nationals and companies of the other party.

Article 3.

Each Contracting Party undertakes to provide in its territory fair and equitable treatment in accordance with the principles of international law, to investments of nationals and companies of the other party and to ensure the enjoyment of the right thus recognized is hampered in either law or in fact.

This treatment shall be at least equal to that granted by each Contracting Party to nationals or companies of the most favoured nation.

Article 4.

Nationals and companies of one of the Contracting Parties shall enjoy, for the exercise of professional and economic activities connected with investments made in the territory of the other Party, the national or most-favoured-nation treatment, whichever is more favourable.

Article 5.

The Contracting Parties shall not take any measures of expropriation or nationalization or any other measures the effect of which is, directly or indirectly dispossessing nationals and companies of the other contracting party of their investments, except for a public purpose and provided that such measures are not discriminatory.

Any measures of dispossession which may be taken shall give rise to the payment of immediate, adequate and effective compensation, the amount of which shall correspond to the real value of such investments, taking into account the criteria and usual practice of international law.

Such compensation, the amount and method of payment of which shall be fixed not later than the date of dispossession, shall be effectively realizable. It shall be paid without delay or as agreed between the Parties and shall be freely transferable.

The provisions of this Article shall not be invoked by the companies or nationals of either Contracting Party to claim such compensation in the normal application of national fiscal law.

Article 6.

Each Contracting Party in whose territory investments have been made by nationals or companies of the other Contracting Party shall accord to such nationals or companies the free transfer of:

- a) Income;
- b) Royalties arising out of intangible rights referred to in Article 1 (1) above;
- c) Payments made for the reimbursement of loans contracted regularly;
- d) The proceeds of the sale of or the partial or total liquidation of the investment including capital gains or increases in the capital invested;
- e) Compensation of dispossession provided for in Article 5).

The nationals of either Contracting Party who have been authorised to work in connection with an investment approved in the territory of the other Contracting Party shall also be authorised to transfer their country of origin in a proportion appropriate remuneration.

The transfers referred to in the preceding paragraphs shall be effected without delay and at the official exchange rate applicable on the date of transfer.

Article 7.

To the extent that the regulations of one of the Contracting Parties provide for a guarantee for investments made abroad, such guarantee may be granted, on a case-by-case examination of investments made in the territory of the other Party by nationals to companies of that Party.

Investments by nationals and companies of one of the Contracting Parties in the territory of the other Party shall not be covered by the guarantee referred to in the preceding sub-paragraph unless they have first obtained the agreement of the latter Party.

Article 8.

Each Contracting Party agrees to submit to the International Centre for Settlement of Investment Disputes (I.C.S.I.D.) the investment disputes which may arise between it and a national or company of the other Contracting Party, or between it

and the other Contracting Party, including cases where the latter is subrogated to the rights of one of its nationals or companies pursuant to Article 9 of this Convention.

Article 9.

If one of the Contracting Parties, by virtue of a guarantee given in respect of an investment made in the territory of the other party makes its payment to one of its nationals or companies, it is thereby entered into the rights and claims of the national or company. The rights of subrogation shall also apply to the transfer of rights and to arbitration referred to in Articles 6 and 8 above.

Article 10.

Investments in respect of a particular undertaking of one of the Contracting Parties with respect to nationals and companies of the other party shall be governed, without prejudice to the provisions of this Convention, by the terms of that commitment, insofar as it would include provisions more favourable than those provided for by this Convention.

Article 11.

The most-favoured-nation treatment provided for in Articles 3 and 4 of this Convention shall not apply to privileges which either Contracting Party accords to nationals and companies of any third State by virtue of its participation in a customs union or association, a common market or a free trade area.

Article 12.

Any dispute concerning the interpretation or application of this Convention which cannot be settled through diplomatic channels within six months may be submitted at the request of either of the two contracting parties to an arbitral tribunal which shall be constituted in the following manner:

Each Contracting Party shall appoint an arbitrator within one month from the date of receipt of the request for arbitration. The two arbitrators thus appointed shall choose, within a period of two months after notification to the party that its arbitrator the latter, a third arbitrator who is a national of a third State.

If the time limits specified in the paragraph above have not been made, either Contracting Party, in the absence of any other agreement, invite the Secretary-General of the U.N. to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or if he is otherwise prevented from exercising this function, the senior Under-Secretary-General who is not a national of either contracting party shall make the necessary appointments.

The contracting parties may agree in advance to designate, for a period of five years and may be reappointed personality that will be used in the event of a dispute as the third arbitrator.

The tribunal shall reach its decisions by a majority of votes, the decision of the arbitral tribunal shall be final and enforceable automatically in respect of the Contracting Parties. the tribunal shall determine its own rules of procedure.

Each Contracting Party would bear the costs of its own member and of its counsel in the arbitral proceedings. The cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties.

Article 13.

This Convention shall be approved in accordance with the constitutional procedures applicable for each of the two States. the exchange of instruments of ratification or approval shall take place as soon as possible.

This Agreement shall enter into force one month after the date on which the exchange of instruments of ratification or approval.

This agreement is concluded for an initial period of ten years. it shall remain in force after the term unless one of the Contracting Parties denounces it in writing and through diplomatic channels on one year's notice.

In the event of termination, this Agreement shall remain in force for a period of fifteen years to investissemest made prior to its termination.

In WITNESS WHEREOF, the representatives of the two Governments, duly authorized thereto, have signed the present Convention.

For the Government of the French Republic:

René Monory,

Minister of Economy.

For the Government of the Republic of Liberia:

James T. Phillips,

Minister of Finance.