

Agreement between the Government of the Republic of Cameroon and the Government of the People's Republic of China for the Promotion and Reciprocal Protection of Investments

The Government of the Republic of Cameroon and the Government of the People's Republic of China,
Hereinafter referred to as the contracting parties)

Desiring to create favourable conditions for investments of investors of one Contracting Party in the territory of the other contracting party;

Recognising that the encouragement and reciprocal promotion and protection of such investments will stimulate business contacts of the investors and will contribute to the prosperity of both States;

Desiring to intensify economic cooperation between the two States on the basis of equality and mutual benefit;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term means every kind of investment assets invested before or after the entry into force of this Agreement in accordance with the legislation of either Contracting Party in the territory of the latter including but not limited to:

- a) Movable and immovable property as well as any other rights in rem such as mortgages and pledges, security interests, and similar usufruct rights;
- b) The actions, securities and any other forms of participation in companies;
- c) Monetary claims and rights to any performance having an economic value;
- d) Copyrights, patents, trademarks, trade names and any other rights of Industrial Property, processes and technical know-how;
- e) Public concessions conferred by law, including concessions to search or exploitation of natural resources.

Any alteration of the form in which assets and capital invested or reinvested shall not affect their character as investments within the meaning of this Agreement.

2. The term "means the net income tax reported by an investment interests, such as profits, royalties or other lawful income.

Investment income and reinvestment shall enjoy the same protection as the investment.

3. The term means investor

- a) Natural persons having the nationality of either Contracting Party;
- b) Any entity economic or legal person constituted in accordance with the legislation of either of the contracting parties and having its registered office within its territory, any economic or legal entity or person directly or indirectly controlled by nationals of either Contracting Party or by legal persons or other economic entities having their headquarters in the territory of either of the Contracting Parties and in accordance with its law.

4. The term territory means the Territory of the State of one Contracting Party, as well as its maritime areas.

5. The term "Maritime Zones" means of marine and submarine areas over which the contracting party exercises, in accordance with international law, sovereign, sovereign rights or jurisdiction.

Article 2. Investment Promotion

1. Each Contracting Party recognizes and encourages, within the framework of its laws and the provisions of this Agreement, the investments made by investors of the other party in its territory.

2. The Contracting Parties undertake to facilitate the procedures for entry, residence and work permits of investors to carry out an investment in their respective territories in conformity with their legislation in force.

Article 3. Treatment of Investments

1. Each Contracting Party undertakes to provide in its territory for investments of investors of the other party fair and equitable treatment which is not less favourable than that which it accords to its own investments of investors in accordance with its laws and regulations, or to investments of investors of the most favoured nation, if it is more favourable.

2. The most-favoured-nation treatment does not extend to the privileges which either Contracting Party accords to investors of a third State by virtue of its border trade and of association or participation in a free trade area, customs union, Common Market or any other form of regional economic organization or similar international agreement or any agreement for the avoidance of double taxation in taxation or any other arrangement relating to taxation.

Article 4. Protection of Investments

1. Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall enjoy the latter part of this protection and security. each Contracting Party undertakes, without prejudice to its laws and regulations, to ensure that the management, maintenance, use, enjoyment or disposal within its territory of the Investments of the other Contracting Party shall not be affected by unjustified or discriminatory measures.

2. The extension, modification or conversion of an investment made in accordance with the laws and regulations in force in the host country shall be regarded as an investment.

3. Investment income and, in the event of their reinvestment in accordance with the legislation of one Contracting Party shall enjoy the same protection as the original investment.

Article 5. Expropriation and Compensation

1. The measures of expropriation, nationalization or any other form having the same nature or the same effect *ei-après* (hereinafter referred as expropriation), which may be taken by the authorities of one Contracting Party against the investments made by investors of the other Contracting Party shall satisfy the following conditions:

- a) They are taken in the public interest;
- b) It shall be the subject of legal proceedings;
- c) The measures are not discriminatory;
- d) They are subject to the payment of compensation.

2. The compensation referred to in paragraph 1 (d) of this article will correspond to the market value of the investment concerned on the day before the date on which the measures taken or are publicly available.

The compensation shall be paid without delay and without undue delay, it shall be effectively realizable and freely transferable.

3. Investors of one Contracting Party who suffer losses relating to their investments in the territory of the other contracting party owing to war, a national state of emergency, riot, insurrection or other similar events shall enjoy the latter part of this, from a treatment no less favourable than that it accords to investors of the most favoured nation treatment, as regards restitution, indemnification, compensation or other remedies.

Article 6. Transfers

1. Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party, shall guarantee the free transfer of funds in convertible currency related to their net liquid investments and in particular:

a) Interests, profits, dividends, royalties and other current income;

b) Of funds in repayment of loans related to investments;

c) The proceeds of the sale of or the partial or total liquidation of the investment including the value of the investment capital;

d) Compensation in accordance with Article 5;

e) Wages and other remuneration accruing to nationals of one Contracting Party who have been authorised to work in the territory of the other contracting party in connection with an investment.

2. The transfers referred to in paragraph 1 shall be made at the rate of exchange in force at the date of transfer.

Article 7. Subrogation

1. If under a legal or contractual guarantee covering non commercial investment risks, indemnities are paid to an investor of either Contracting Party, the other Contracting Party shall recognize the subrogation into the insurer of the Rights of the investor indemnified.

2. In accordance with the guarantee given to the Investment, the insurer concerned shall be entitled to claim all the rights that the investor might exercise if the insurer had not been subrogated.

3. The transfer of payments arising out of the subrogation above shall be governed by the provisions of article 6.

4. Any dispute between one Contracting Party and the insurer to an investment of the other Contracting Party shall be settled in accordance with the provisions of article 8 of this agreement where the insurer is public and article 9 of this agreement where the insurer is private.

Article 8. Settlement of Disputes between the Contracting Parties

1. Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall be settled as far as possible, between the two Contracting Parties through diplomatic channels.

2. If the dispute shall be submitted to an ad hoc committee composed of representatives of the Parties. it shall meet without delay and at the request of either party.

3. If the Ad Hoc Commission cannot settle the dispute within six months after the beginning of negotiations, it shall be submitted to an arbitral tribunal at the request of one of the Contracting Parties.

4. The Tribunal shall be constituted in the following manner:

Each Contracting Party shall appoint one arbitrator and the two arbitrators shall appoint a third arbitrator who is a national of a third State having diplomatic relations with both contracting parties as Chairman of the Tribunal. the arbitrators shall be appointed within three months and the Chairman within five months from the date on which either Contracting Party has informed the den contracting party of its intention to submit the dispute to an arbitral tribunal.

5. If the periods specified in paragraph (4) above have not been made, either Contracting Party may 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 Contracting Party or if he is unable to perform this function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. if the Vice-President is a national of either Contracting Party or if he is prevented from exercising his mandate, the most senior member of the International Court of Justice who is not a national of either Contracting Party shall be invited to make the appointments.

6. The arbitral tribunal shall decide on the basis of the provisions of this Agreement and the rules and principles of international law. the decision of the Tribunal shall be adopted by a majority of votes. it shall be final and binding on the contracting parties.

Article 9. Settlement of Disputes Relating to Investments

1. Any investment dispute between a Contracting Party and an investissuer of the other Contracting Party shall be settled

amicably, as far as possible through consultations and negotiations between the parties to the dispute.

2. In the absence of an amicable settlement by direct arrangement between the parties to the dispute within 6 months from the date of the written notification, the dispute shall be submitted, at the choice of the investor:

- a) Either to the competent court of the Contracting Party in whose territory the investment has been made;
- b) To arbitration or the International Centre for the Settlement of Investment Disputes (c.i.r.d.i.), established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, opened for signature at Washington, on 18 March 1965.

To this end, each Contracting Party gives its irrevocable consent to any dispute relating to the amount of compensation for expropriation is submitted to the arbitration procedure. other disputes shall be submitted to the procedure with the consent of both parties.

3. Neither of the Contracting Party, Party to the dispute, can raise objection, at any stage of the arbitration proceedings or of the execution of an arbitral award, on account of the fact that the investor, opposing party in the dispute has received an indemnity covering the whole or part of its losses by virtue of an insurance policy.

4. The arbitral tribunal shall decide on the basis of the national law of the Contracting Party, Party to the dispute, in the territory of which the investment is located, including the rules relating to conflicts of law, the provisions of this Agreement, the terms of the specific agreements to be concluded in connection with investment as well as the principles of international law.

5. The arbitral awards shall be final and binding on the parties to the dispute. each Contracting Party undertakes to execute the award according to its national law.

Article 10. Scope

This Agreement shall also cover, as regards the implementation of future investments made prior to its entry into force by investors of one Contracting Party in the territory of the other contracting party, in accordance with its laws and regulations.

Article 11. Final Provisions

1. Where a matter relating to investment is governed by this Agreement and simultaneously by the national legislation of either Contracting Party or under existing international conventions or undertaken by the parties in the future, investors of the other contracting party may avail itself of the provisions that are most favourable.

2. This Agreement shall enter into force thirty days after the date of receipt of the latter of the two notifications to the fulfilment by the two contracting parties legislative procedures required in their respective countries.

It shall remain in force for a period of ten years unless one of the Contracting Parties denounces it at least six months before the expiration of the period of validity. Each time it shall be automatically renewed for a further period of ten years, each contracting party reserving the right to terminate the agreement by written notice of at least six months before the date of expiry of the current period of validity.

On expiration of the period of validity of the present Agreement investments over which it was in force will continue to benefit from the protection of its provisions for a further period of ten years.

In WITNESS WHEREOF the undersigned, duly authorized thereto by representatives, their respective Governments, have signed this Agreement.

Done at Yaoundé on 10 May 1997, each in two originals in the Chinese and English languages, both texts being equally authentic.

For the Government of the Republic of Cameroon

For the Government of the People's Republic of China