

CONVENTION BETWEEN THE BELGO-LUXEMBOURG ECONOMIC UNION AND THE UNITED REPUBLIC OF CAMEROON CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Kingdom of Belgium, acting in accordance with the Convention for the Establishment of the Belgo-Luxembourg Economic Union⁽¹⁾ both on its own behalf and on behalf of the Grand Duchy of Luxembourg, and

The Government of the United Republic of Cameroon,

Desiring to create favourable conditions for increased economic co-operation between them and, in particular, for investments by nationals of either Contracting Party in the territory of the other Contracting Party;

Aware that the reciprocal promotion and protection of such investments could stimulate private economic initiatives and increase economic prosperity in the territories of the Contracting Parties,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Convention:

1. The term "nationals" shall mean:

(a) With regard to the Belgo-Luxembourg Economic Union, any individual who under Belgian or Luxembourg law is considered to be a citizen of Belgium or Luxembourg;

(b) With regard to the United Republic of Cameroon, any individual who under Cameroonian law is considered to be a citizen of Cameroon.

2. The term "companies" shall mean:

(a) With regard to the Belgo-Luxembourg Economic Union, any corporation constituted in accordance with Belgium or Luxembourg law and having its head office in the territory of Belgium or Luxembourg;

(b) With regard to the United Republic of Cameroon, any company or corporation constituted in accordance with Cameroonian law and having its head office in the territory of Cameroon.

3. The term "investments" shall mean any kind of asset, invested or reinvested in establishments engaged in economic activity.

The following shall more particularly, although not exclusively, be considered investments within the meaning of this Convention: (a) Movable and immovable property, as well as any other right in rem, such as mortgage securities, security interests, usufructs and similar rights;

(b) Company shares, shares and any other kinds of interest in companies;

(c) Bonds issued by companies, debts and rights to any performance having economic value;

(d) Copyrights, industrial rights, technical processes, trade marks and business assets;

(e) Business concessions under public law or by contract, including concessions in respect of agricultural research and the extraction or exploitation of natural resources.

Any change in the legal form in which assets and capital have been invested or reinvested shall have no effect on their status as "investments" for the purposes of this Convention.

Article 2. Promotion of Investments

1. Each Contracting Party shall admit to its territory in accordance with its law investments made by individuals or corporations of the other Contracting Party, and shall encourage such investments.
2. In particular, each Contracting Party shall authorize the conclusion and execution of licensing contracts and commercial, administrative or technical assistance agreements.
3. Aware of the importance of investments for the promotion of its development co-operation, the Belgo-Luxembourg Economic Union shall adopt measures to encourage its economic agents to participate in the development effort of the United Republic of Cameroon, in accordance with its priority objectives.

Article 3. Protection of Investments

1. All investments, present and future, direct or indirect, made by individuals or corporations of one Contracting Party shall be accorded fair and equitable treatment in the territory of the other Contracting Party.
2. Such investments shall be safeguarded and protected at all times and shall not be subject to any unreasonable or discriminatory measure that might, de jure or de facto, impede their management, maintenance, use, enjoyment or liquidation, with the exception of measures necessary for the maintenance of public policy.
3. The treatment and protection guaranteed in paragraphs 1 and 2 above shall be no less favourable than those enjoyed by individuals or corporations of a third State and in no case less favourable than those recognized by international law.

Article 4. Expropriatory and Restrictive Measures In Respect of Property

1. Each Contracting Party undertakes to refrain from any expropriatory or restrictive measure in respect of property, or any similar measure, against investments situated in its territory.
2. Should considerations of public or national interest or security necessitate a derogation from paragraph 1 and should such measures be taken exceptionally, the following conditions must be fulfilled:
 - (a) The measures shall be taken in accordance with a legal procedure;
 - (b) They shall be neither discriminatory nor contrary to a specific commitment;
 - (c) They shall be accompanied by provisions for the payment of an adequate compensation.
3. Unless the opposing Party provides justification to the contrary, to be provided by the opposing Party, the compensation established under paragraph 2 above shall represent the market value of the investments on the day prior to the adoption of the measures or, where appropriate, the day prior to their publication.

Compensation shall be paid, without undue delay, in the currency of the State of the investor concerned and shall accrue interest at the normal commercial rate until the date of payment. 4. If one Contracting Party expropriates the assets of a company established in its territory in which individuals or corporations of the other Contracting Party hold shares, it shall apply the provisions of paragraphs 1, 2 and 3 of this article to the individuals or corporations of the other Contracting Party that own those shares.

5. If individuals or corporations of one Contracting Party own shares in a foreign company other than a Belgian, or Luxembourg or Cameroonian company, and that company itself owns shares in a company of the other Contracting Party, the latter Party shall apply paragraphs 1, 2 and 3 of this article to the above-mentioned individuals or corporations that are shareholders in the foreign company in question.

This provision shall apply only if the said company, and/or the State to which it belongs, is not empowered to pay the envisaged compensation and/or this State declines to claim it.

Article 5. Transfers

1. With respect to investments made in its territory, each Contracting Party shall guarantee to investors of the other Contracting Party freedom of transfer of their assets, including but not restricted to:
 - (a) Investment income, including profits, interest, capital earnings, dividends, royalties and fees;

- (b) Sums required for the reimbursement of duly-contracted loans;
- (c) Proceeds from the recovery of debts or the total or partial liquidation of investments;
- (d) Compensation paid under article 4.

2. Each Contracting Party shall issue the authorizations required to ensure the execution of such transfers without undue delay and without any charges other than the usual fees and transfer charges.

3. The treatment referred to in paragraphs 1 and 2 of this article may be no less favourable than that accorded to nationals of a third State who are in a similar situation.

Article 6. Exchange Rates

1. The transfers referred to in articles 4 and 5 shall be effected at the exchange rates applicable on the date of the transfer, in accordance with the exchange regulations in force for the various classes of transactions.

2. These rates shall in no case be less favourable than those accorded to nationals or corporations of third countries under, for instance, specific commitment contained in any investment protection agreements or arrangements.

3. In all cases, the rates applied shall be fair and equitable, taking into account the usual fees and charges which may be imposed for exchange operations.

Article 7. Subrogation

1. If, by virtue of a guarantee given for an investment, one Contracting Party or a public agency of that Party pays compensation to its own nationals, the other Contracting Party shall recognize the right of the first Contracting Party or the public agency concerned to exercise and invoke by means of subrogation the rights and claims of such nationals.

2. Should the payments referred to in paragraph 1 above not be sufficient, the nationals concerned may, where appropriate, institute proceedings for payment of the compensation provided for in article 4 of this Convention before the International Centre for the Settlement of Investment Disputes, in accordance with article 10 of this Convention, or, as the case may be, pursue any proceedings they may have instituted before payment was made until the dispute is settled.

Article 8. Other Obligations

When a matter is governed both by this Convention, an international agreement or national regulations of either Contracting Party, no provision of this Convention shall prevent nationals or companies of either Contracting Party owning investments in the territory of the other Party from availing themselves of the most favourable provisions.

Article 9. Special Agreements

1. Investments made under a special agreement between one Contracting Party and investors of the other Party shall be governed by the provisions of this Convention and of the aforementioned special agreement.

2. Each Contracting Party hereby gives advance consent to the insertion in the aforesaid special agreement of a clause providing for recourse, in the event of a dispute, to the International Centre for the Settlement of Investment Disputes (hereinafter referred to as "CIRDI") 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.(2)

Article 10. Recourse to the International Centre for the Settlement of Investment Disputes

1. Any investment dispute shall be the subject of written notification, accompanied by a sufficiently detailed memorandum, from the investor of one Contracting Party to the other Contracting Party.

Such disputes shall preferably be resolved amicably, by direct agreement between the parties to the dispute and, failing this, by conciliation between the Contracting Parties through the diplomatic channel. 2. In the absence of an amicable settlement, by direct arrangement between the Parties or by conciliation through the diplomatic channel within six months of the date of notification, the dispute shall, at the request of the investor concerned, be submitted to CIRDI for conciliation or arbitration.

To this end, each Contracting Party hereby gives its irrevocable advance consent to the submission of any dispute to the Centre. Such consent implies a waiver of the requirement that internal administrative or judicial remedies first should have been exhausted. 3. Neither Contracting Party, if a party to a dispute, shall object at any stage of the conciliation or arbitration procedure or of the execution of a judgement, to receipt by the national who is the other party to the dispute of compensation covering all or part of his losses under an insurance policy.

Article 11. Most Favoured Nation

In all matters governed by this Convention, nationals or companies of both Contracting Parties shall enjoy, in the territory of the other Party, most-favoured-nation treatment.

Article 12. Disputes between the Contracting Parties Concerning the Interpretation or Application of the Convention

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Convention shall be submitted to a Joint Commission consisting of representatives of the two Parties. The Commission shall meet at the request of either Party, without undue delay.
2. If the Joint Commission cannot resolve the dispute, it shall be submitted to an ad hoc arbitration procedure, at the request of either Contracting Party, within six months of the written notification of the request to the other Contracting Party.
3. Within two months of the notification of the request for arbitration, each Contracting Party shall appoint an arbitrator. The latter shall, in turn, within two months following their appointment, appoint a third arbitrator, who must be a national of a third State.
4. The arbitral panel thus established shall adopt its own rules of procedure.

The panel shall take its decisions by majority vote; such decisions shall be final and binding on the Contracting Parties. 5. Each Contracting Party shall bear the cost of appointing its arbitrator; costs relating to the appointment of the third arbitrator and the panel's operating costs shall be borne equally by the Contracting Parties.

Article 13. Entry Into Force and Duration

1. This Convention shall enter into force on the first day of the second month following the date on which the two Contracting Parties have notified each other of the completion of their respective constitutional procedures, and shall remain in force for a period of 10 years.

Unless one Contracting Party gives notice of termination at least six months prior to expiry of the period of validity, this Convention shall be tacitly renewed for further periods of 10 years, each Contracting Party reserving the right to terminate the Convention by giving notice at least six months prior to the date of expiry of the current period.

In respect of investments made prior to the date of termination of this Convention, the above provisions shall remain in force for a further period of 10 years from the date of termination.

IN WITNESS WHEREOF the undersigned representatives, duly authorized by their respective Governments, have signed this Convention.

DONE at Brussels, on 27 March 1980, in two original copies in the French language.

For the Belgo-Luxembourg Economic Union: [Signed] R. URBAIN For the Government of the United Republic of Cameroon: [Signed] M. DICKO