

Agreement Between the Government of the People's Republic of China and the Government of the State of Qatar Concerning the Encouragement and Reciprocal Protection of Investments (04/1999)

The Government of the People's Republic of China and the Government of the State of Qatar (hereinafter referred to as the Contracting Parties) ;

Intending to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the reciprocal encouragement, promotion and protection of such investments will be conducive to stimulating business initiative of the investors and will increase prosperity in both States;

Desiring to intensify the economic cooperation of both States on the basis of equality and benefits,

Have agreed as follows;

ARTICLE 1

For the purpose of this Agreement, unless otherwise stated in this Agreement,

1. The term "investment" means every kind of asset invested by investors of one Contracting Party in accordance with the laws and regulations of the other Contracting Party in the territory of the latter, and in particular, though not exclusively, includes:

(a) movable, immovable property and other property rights such as mortgages and pledges,

(b) shares, stock and any other kind of participation in companies;

(c) claims to money or to any other performance having an economic value,

(d) copyrights, industrial property rights, know-how and technological process,

(e) concessions conferred by law, including concessions to search for or exploit natural resources.

2. The term “investors” means:

(a) natural persons who have nationality of the People’s Republic of China in accordance with its laws;

(b) economic entities established in accordance with the laws of the People’s Republic of China and domiciled in the territory of the People’s Republic of China;

in respect of the State of Qatar:

(a) citizens who have nationality of the State of Qatar;

(b) legal persons including companies, general corporations, public organizations, public and semi-public entities constituted in accordance with the legislations of the State of Qatar and domiciled in its territory;

(c) the Government of the State of Qatar.

3. The term “returns ” means the amounts yielded by investments, such as profits, dividends, interests, royalties or other legitimate income.

4. The term “territory” means the territory of each Contracting Party, as well as the maritime area of each Contracting Party. The maritime area means the territorial seas and the continental shelf outwards the territorial seas over which each Contracting Party has, in accordance with the International Law sovereign rights and a jurisdiction with a view of prospecting, exploiting and preserving natural resources.

ARTICLE 2

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

2. Each Contracting Party shall grant assistance in and provide facilities for obtaining visas and working permits to nationals and employees of investors of the other Contracting Party to or in the territory of the Former in connection with activities associated with such investments.

ARTICLE 3

1. Investments and activities associated with investments of investors of either Contracting Party shall be accorded fair and equitable treatment and shall enjoy protection in the territory of the other Contracting Party.

2. The treatment and protection referred to in Paragraph 1 of this Article shall not be less favourable than that accorded to investments and activities associated with such investments of investors of a third State.

3. The treatment and protection as mentioned in Paragraphs 1 & 2 of this Article shall not include any preferential treatment accorded by the other Contracting Party to investments of investors of a third State based on customs union, free trade zone, economic union, agreement relating to avoidance of double taxation or for facilitating frontier trade.

ARTICLE 4

1. Neither Contracting Party shall expropriate, nationalize or take similar measures (hereinafter referred to as "expropriation") against investments of investors of the other Contracting Party in its territory, unless the following conditions are met:

(a) for the public interests;

(b) under domestic legal procedure;

(c) without discrimination;

(d) against compensation;

2. The compensation referred to in Paragraph 1 (d) of this Article shall be equivalent to the real economic value of the expropriated investments and shall be estimated in accordance with a normal economic situation prevailing at the time when expropriation is proclaimed. The compensation shall be paid without delay.

ARTICLE 5

Investors of one Contracting Party who suffer losses in respect of their investments in the territory of the other Contracting Party owing to war, a state of national emergency, insurrection, riot or other similar events, shall be accorded by the latter Contracting Party, if it takes relevant

measures, treatment no less favourable than that accorded to investors of a third State.

ARTICLE 6

1. Each Contracting Party shall, subject to its laws and regulations, guarantee investors of the other Contracting Party the transfer of their investments and returns held in the territory of the one Contracting Party, including:

(a) profits, dividends, interests and other legitimate income;

(b) amounts from total or partial liquidation of investments;

(c) payment made pursuant to a loan agreement in connection with investment;

(d) royalties in Paragraph 1 (d) of Article 1;

(e) payments of technical assistance, technical service fee and management fee;

(f) payments in connection with projects on contract;

(g) earnings of nationals and employees of the other Contracting Party who work in connection with an investment in the territory of the one Contracting Party;

2. The transfers mentioned above shall be made at the prevailing exchange rate of the Contracting Party accepting investment on the date of transfer.

ARTICLE 7

If a Contracting Party of its Agency makes payment to its investor under a guarantee it has granted to an investment of such investor in the territory of the other Contracting Party, such other Contracting Party shall recognize the transfer of any right or claim of such investor to the former Contracting Party or its Agency and recognize the subrogation of the former Contracting Party or its Agency to such right or claim. The subrogated right or shall not be greater than the original right or claim of the said investor.

ARTICLE 8

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

2. If such a dispute cannot be settled amicably within six months it shall, upon the request of either Contracting Party, from the date on which it occurred, be submitted to an ad hoc arbitral tribunal for settlement.

3. Such arbitral tribunal shall be formed for each specific case as follows:

Within a period of two months from the date of notification of either Contracting Party to the other Contracting Party about his intention to submit the dispute to arbitration, each Contracting Party shall appoint its member in the arbitral tribunal. The two members shall, within a period of two months from the date of their appointment nominate by mutual agreement a citizen of a third State having diplomatic relations with the two Contracting Parties who will be appointed as the president by the two Contracting Parties.

4. If the arbitral tribunal has not been constituted within four months from the date of the receipt of the written notice for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator(s) who has or either Contracting Party or is otherwise prevented from discharging the said function, the next most senior member of the International Court of Justice who is not a national of either Contracting Party shall be invited to make the necessary appointment(s).

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 arbitral tribunal, with respect to its procedures, shall apply the UNCITRAL rules, and with respect to the substance of the dispute it shall apply the rules of this Agreement and the applicable corresponding rules to the International Law. The two Contracting Parties shall share among themselves equally the cost of the arbitration procedures including remunerations of the arbitrators unless otherwise decided by the tribunal in accordance with special circumstances. Venue of arbitration shall be the Hague (Holland) or Stockholm (Sweden).

ARTICLE 9

1. Any legal dispute arising out of an investment between either Contracting Party and investor of

the other Contracting Party shall be settled amicably between the parties concerned.

2. If the dispute cannot be settled within a period of six months from the date on which it occurred, it shall be settled at the request of either party by the competent court in the country in whose territory the investment was made.

3. If the legal dispute is tied up with the amount of compensation for expropriation and was not settled amicably within a period of six months from the date on which it occurred, and neither party chooses to settle the dispute by the competent court as stated in Paragraph (2) thereof, either party shall be entitled to submit it to an arbitral tribunal. The said tribunal shall be created for each specific case consisting of three members to be appointed as follows:

Within two months from the date on which arbitration was requested each party shall appoint one arbitrator in the tribunal and within two months from their appointment, the two members by mutual agreement nominate a third member a citizen of the third State having diplomatic relations with both Contracting Parties to act as Chairman.

4. If the appointments were not made within the period specified in Paragraph (3) of this Article, either conflicting party may invite the Secretary General of the International Centre for the Settlement of Investment Disputes to make the required appointments.

5. The tribunal shall reach its decision by a majority of votes and its decisions shall be final and legally binding upon the conflicting parties. Each party shall bear the cost of its arbitrator and cost of his representation in the arbitration procedures. The two conflicting representation in the arbitration procedures. The two conflicting parties shall share equally among themselves the fees of the tribunal. The tribunal with respect to its procedures shall apply the UNCITRAL rules, and regarding the substance of dispute, the tribunal shall apply the laws of the Contracting Party in whose territory the investment was made. Venue of arbitration is the permanent Arbitration Tribunal in the Hague(Holland).

ARTICLE 10

If the treatment to be accorded by one Contracting Party in accordance with its laws and regulations or based on an undertaking or a special agreement to investments or activities associated with such investments of investors of the other Contracting Party is more favourable than the treatment provided for in this Agreement, the more favourable treatment shall be applicable.

ARTICLE 11

This Agreement shall apply to investments which are made prior to or after its entry into force by investors of either Contracting Party in accordance with the laws and regulations of the other Contracting Party in the territory of the latter.

ARTICLE 12

1. This Agreement shall enter into force on the first day of the following month after the date of which both Contracting Parties have notified each other in writing that their respective internal legal procedures have been fulfilled, and shall remain in force for a period of ten years.

2. This Agreement shall continue in force if either Contracting Party fails to give a written notice to the other Contracting Party to terminate this Agreement one year before the expiration specified in Paragraph 1 of this Article.

3. After the expiration of the initial ten years period either Contracting Party may at any time thereafter terminate this Agreement by giving at least one year's written notice to the other Contracting Party.

4. With respect to investments made prior to the date of termination of this Agreement, the provisions of Article 1 to 11 shall continue to be effective for a further period of ten years from such date of termination.

In witness whereof, the duly authorized representatives of their respective Government have signed this Agreement.

Done in duplicate at Beijing on /4/1999 in the Chinese, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.