

**Additional Protocol Between the Government of the People's Republic of China
and the Government of the Republic of Bulgaria to the Agreement between the
Government of the People's Republic of China and the Government of the
People's Republic of Bulgaria Concerning the Reciprocal Encouragement and
Protection of Investments**

The Government of the People's Republic of China and the Government of the Republic of Bulgaria (hereinafter referred to as the "Contracting Parties"),

With regard to the Agreement between the Government of the People's Republic of China and the Government of the People's Republic of Bulgaria Concerning the Reciprocal Encouragement and Protection of Investments (hereinafter referred to as the "Agreement"),

Have agreed as follows:

ARTICLE I

Article 3 shall be amended as follows:

"1. Each Contracting Party shall in its territory accord to investments of investors of the other Contracting Party treatment not less favourable than that which it accords to investments of its own investors or to investments of investors of any third State, whichever is more favourable.

2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards management, maintenance, use, enjoyment, or disposal of their investments, treatment not less favourable than that which it accords to its own investors or to investors of any third State, whichever is more favourable.

3. (a) The National and Most-Favoured-Nation Treatment provisions of this Agreement shall not apply to advantages accorded by a Contracting Party pursuant to its obligations as a member of a customs, economic or monetary union, a common market or a free trade area.

(b) The Contracting Party understands the obligations of the other Contracting Party as a member of a customs, economic or monetary union, a common market or a free trade area to include obligations arising out of an international agreement or reciprocity agreement of that customs, economic or monetary union, common market or free trade area.

(c) The provisions of this Agreement shall not be construed as to oblige one Contracting Party to extend to the investors of the other Contracting Party, or to the investments or returns of such investments, the benefit of any treatment, preference or privilege which may be extended by the Contracting Party by virtue of any international agreement or arrangement relating wholly or mainly to taxation.

4. Each Contracting Party reserves the right to make or maintain, in accordance with the legislation of its State, exceptions from national treatment granted according to

paragraphs 1 and 2 of this Article. However, any new exception shall only apply to investments made after the entry into force of such exception.

5. If the provisions of domestic law of the State of either Contracting Party or obligations under present or future international agreements applicable between the Contracting Parties or other international agreements to which they are parties, contain regulations, 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 regulations shall to the extent that are more favourable prevail over the present Agreement."

ARTICLE II

In Article 5, Paragraph 1, the following words shall be added after "Subject to its laws and regulations": "and without prejudice to any applicable international obligation".

ARTICLE III

This Additional Protocol shall be regarded as an integral part of this Agreement. Both Governments shall notify each other through diplomatic channels that they have complied with the legal requirements for the entry into force of this Additional Protocol. This Additional Protocol shall enter into force on the 30th day after the second notification is received.

IN WITNESS WHEREOF, the undersigned being duly authorized have signed this Additional Protocol.

DONE in _____, on _____, in two originals, each in the Chinese, Bulgarian and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF
CHINA

FOR THE GOVERNMENT OF
THE REPUBLIC OF BULGARIA

ANNA YANEVA,

DEPUTY MINISTER OF
ECONOMY AND ENERGY