
(China/Syrian Arab Republic BIT 1996)

Parties: China, Syrian Arab Republic

Citation(s): MOFCOM, Collection of International Investment Treaties (Jingguan Jiaoyu Press 1998) 1140-1152


Date Signed: 09 December 1996

Date Entered into force: 01 November 2001

Comment: It stipulates that any investor-state dispute involving the amount of compensation may be submitted to ad hoc arbitral tribunal if they cannot be settled through negotiation within a year. With regard to the standards of treatment, apart from fair and equitable treatment, for China it stipulates that investment shall be accorded most favoured nation treatment, whilst for Syria it requires that investment shall be accorded national treatment, which is different from the second Model BIT.

Agreement Between the Government of the People's Republic of China and the Government of the Syrian Arab Republic Concerning the Reciprocal Promotion and Protection of Investments

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

Intending to create favorable 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 mutual benefits;

Have agreed as follows:

Article 1

For the purpose of this Agreement,

1. The term “investment” means kind of asset invested by investors of one Contracting Party admitted or approved by the other Contracting Party in accordance with its laws and regulations 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 connected with the investment;

(d) copyrights, industrial property, 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 nationally of one of the two States in accordance with its laws and regulations;
(b) juridical persons or other economic entities established in accordance with the laws and regulations of one Contracting Party and domiciled in the territory of that Contracting Party.

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

Article 2

1. Each Contracting Party shall, subject to its laws and regulations, 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, subject to its laws and regulations, provide assistance in and provide facilities for obtaining visa and working permit to nationals of the other Contracting Party to or in the territory of the former in connection with activities associated with such investments.

Article 3

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.

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 mentioned in Paragraph 1, (d) of this Article shall be equivalent to the value of the expropriated investments at the time when expropriation is proclaimed, be convertible and freely transferable. The compensation shall be paid without unreasonable 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 the latter Contracting Party takes relevant measures, treatment provided for in Article 3 of this Agreement.

Article 6

1. Each Contracting Party shall, subject to its laws and regulations, permit investors of the other Contracting Party the transfer of their admitted investments and returns held in 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 or technical service fee, management fee;
   (f) payments in connection with projects on contract;
(g) earnings of nationals of the other Contracting Party who work in connection with an investment in the territory of
the one Contracting Party in accordance with its related laws and regulations.

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

Article 7

If a State insurance agency of one Contracting Party makes payment to an 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 State insurance agency of the former Contracting
Party and recognize the subrogation of that State insurance agency of the former Contracting Party to such right or
claim. The subrogated right or claim 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 of this Agreement shall,
as far as possible, be settled by consultation through diplomatic channel.

2. If a dispute cannot thus be settled within six months, it shall, upon the request of either Contracting Party, be
submitted to an ad hoc arbitral tribunal.

3. Such tribunal comprises of three arbitrators. Within two months from the date on which either Contracting party
receives the written notice requesting for arbitration from the other Contracting Party, each Contracting Party shall
appoint one arbitrator. Those two arbitrators shall, within further two months together select a third arbitrator who is
a national of a third State which has diplomatic relations with both Contracting Parties. The third arbitrator shall be
appointed by the two Contracting Parties as Chairman of the arbitral tribunal.

4. If the arbitral tribunal has not been constituted within four months from the date of the receipt of any 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 have not yet been appointed. If the President is a
national of 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 arbitral tribunal shall determine its own procedure. The tribunal shall reach its award in accordance with the
provisions of this Agreement and the principles of international law recognized by both Contracting Parties.

6. The tribunal shall reach its award by a majority of votes. Such award shall be final and binding on both Contracting
Parties. The ad hoc arbitral tribunal shall, upon the request of either Contracting Party, explain the reasons of its
award.

7. Each Contracting Party shall bear the cost of its appointed arbitrator and of its representation in arbitral
proceedings. The relevant costs of the Chairman and the tribunal shall be borne in equal parts by the Contracting
Parties.

Article 9

1. Any dispute between an investor of one Contracting Party and the other Contracting Party in connection with
an investment in the territory of the other Contracting Party shall, as far as possible, be settled amicably through
negotiations between the parties to the dispute.

2. If the dispute cannot be settled through negotiations within one year, either party to the dispute shall be entitled to
submit the dispute to the competent court of the Contracting Party accepting the investment.

3. If a dispute involving the amount of compensation for expropriation cannot be settled within one year resort to
negotiations as specified in Paragraph 1 of this Article, it may be submitted at the request of either party to an ad
hoc arbitral tribunal. The provisions of this Paragraph shall not apply if the investor concerned has resorted to the
procedure specified in the Paragraph 2 of this Article.

4. Such an arbitral tribunal shall be constituted for each individual cases in the following way: each party to the
dispute shall appoint an arbitrator, and these two shall select a national of a third State which has diplomatic relations
with the two Contracting Parties as Chairman. The first two arbitrators shall be appointed within two months of the written notice for arbitration by either party to the dispute to the other, and the Chairman be selected within four months. If within the period specified above, the tribunal has not been constituted, either party to the dispute may invite the Secretary General of the International Center for Settlement of Investment Disputes to make the necessary appointments.

5. The tribunal shall determine its own procedure, However, the tribunal may, in the course of determination of procedure, take as guidance the Arbitration Rules of the International Center for Settlement of Investment Disputes.

6. The tribunal shall reach its decision by a majority of votes. Such decision shall be final and binding on both parties to the dispute. Both Contracting Parties shall commit themselves to the enforcement of the decision in accordance with their respective domestic law.

7. The tribunal shall adjudicate in accordance with the law of the Contracting Party to the dispute accepting the investment including its rules on the conflict of law, the provisions of this Agreement as well as the generally recognized principles of international law accepted by both Contracting Parties.

8. Each party to the dispute in the dispute shall bear the cost of its appointed member of the tribunal and of its representation in the proceedings. The cost of the appointed Chairman and the remaining costs shall be borne in equal parts by the parties to the dispute.

**Article 10**

The representatives of the two Contracting Parties shall hold meeting at the request of one of the Contracting Parties for the purpose of:

(a) reviewing the implementation of this Agreement;

(b) exchanging legal information and investment opportunities;

(c) resolving dispute arising out of investments;

(d) forwarding proposals on promotion of investment;

(e) studying other issues in connection with investments.

**Article 11**

1. This Agreement shall enter into force on the first day of the following month after the date on 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 investment made prior to the date of termination of this Agreement, the provisions of Article 1 to 10 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 Governments have signed this Agreement.

Done in duplicate at Beijing on December 9, 1996 in the Chinese, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of the People’s Republic of China

For the Government of the Syrian Arab Republic

**Protocol**
On signing of the Agreement between the Government of the People's Republic of China and the Government of the Syrian Arab Republic for the Reciprocal Promotion and Protection of Investments, the duly authorized representatives of both Contracting Parties, have agreed upon the following provisions which constitute the integral part of this Agreement:

Article 1

The treatment and protection referred to in Article 3 of this Agreement,

a) in respect of the People's Republic of China, shall not be less favorable than that accorded to investments and activities associated with such investments of investors of a third State, provided that such treatment and protection shall not include any preferential treatment accorded by the People's Republic of China 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;

b) in respect of the Syrian Arab Republic, shall not be less favorable than that accorded by the Syrian Arab Republic to investments and activities associated with such investments of its own investors.

Article 2

a) In respect of the People's Republic of China, the transfer referred to in Paragraph 1 (b) and (c) of Article 6 of this Agreement shall be made subject to approval of foreign exchange authority of the People's Republic of China in accordance with its laws and regulations.

b) In respect of the Syrian Arab Republic, the transfers referred to in Paragraph 1 of Article 6 of this Agreement shall be made from the foreign exchange account of enterprises having investments made by investors of the People's Republic of China in accordance with foreign exchange regulations of the Syrian Arab Republic.

Done in duplicate at Beijing this 9th day of December, 1996 in Chinese, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of the People's Republic of China

For the Government of the Syrian Arab Republic