

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF
CAMBODIA CONCERNING THE PROMOTION AND PROTECTION OF
INVESTMENTS**

The Government of the Republic of the Philippines and the Government of the Kingdom of Cambodia (hereinafter referred to as "Contracting Parties");

Bearing in mind the friendly and cooperative relations existing between the two countries and their peoples;

Intending to create favourable conditions for investments by nationals of one Contracting Party on the basis of sovereign equality and mutual benefit; and

Recognizing that the Agreement on the Promotion and Protection of such Investments will be conducive to the stimulation of investment activities in both countries:

Have agreed as follows:

**ARTICLE I
DEFINITIONS**

For the purpose of this Agreement:

1. The term "investment" shall mean any kind of asset invested by nationals of one Contracting Party in the territory of the other Contracting Party and admitted, in conformity with the laws and regulations of the latter, including, but not exclusively:

- a. movable and immovable property as well as other rights such as mortgages, privileges, and guarantees and any other similar rights;
- b. rights derived from shares, bonds or any other form of interest in companies in the territory of the other Contracting Party;
- c. claims derived from shares, bonds or any performance having a financial value;
- d. intellectual property rights, technical processes, goodwill and know-how;
- e. business concessions having an economic value conferred by law or under contract related to investment including concessions to search for or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as an investment, provided that such alteration has also been approved or admitted under Article II.

2. The term "national" shall mean:

In respect of the Republic of the Philippines, citizens of the Philippines within the meaning of Article IV of its Constitution.

In respect of the Kingdom of Cambodia;

- (i) natural persons having the nationality of that Contracting Party;
- (ii) legal persons constituted under the law of that Contracting Party.

3. The term "without delay" shall mean such period as is normally required for the completion of the necessary formalities for the transfer of payment.

4. "Territory" shall mean:

- a. In respect of the Republic of the Philippines, the national territory as defined in Article I of its Constitution.
- b. In respect of the Kingdom of Cambodia:

The territory of the Kingdom of Cambodia, as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of territorial sea over which the Kingdom of Cambodia exercises in accordance with international law, sovereign rights or jurisdiction.

5. The term "returns" shall mean the amount yielded by an investment for a definite period of time as profits, interest, capital gains,

dividends, royalties, fees and other legitimate returns.

ARTICLE II PROMOTION AND PROTECTION OF INVESTMENTS

1. Either Contracting Party shall encourage and create favourable conditions for nationals of the other Contracting Party to invest in its territory, and shall admit such investment in accordance with its Constitution, laws and regulations.

2. Investments of nationals of either Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy adequate protection and security in the territory of the other Contracting Party.

ARTICLE III MOST-FAVOURABLE-NATION PROVISIONS

1. Each Contracting Party shall ensure fair and equitable treatment of the investments of nationals of the other Contracting Party and shall not impair, by unreasonable or discriminatory measures, the operation, management, maintenance, use, enjoyment or disposal thereof by those nationals. Each Contracting Party shall accord to such investment adequate physical security and protection.

2. More particularly, each Contracting Party shall accord to such investments treatment which in any case shall not be less favourable than that accorded to investments of nationals of any third state.

3. If a Contracting Party has accorded special advantages to nationals of any third state by virtue of existing or future agreements establishing customs unions, economic unions, monetary unions or similar institutions, that Contracting Party

shall not be obliged to accord such advantages to nationals of the other Contracting Party.

4. The provision of this Article shall not apply to matters of taxation in the territory of either Contracting Party. Such matters shall be governed by an Avoidance of Double Taxation Treaty between the two Contracting Parties and/or the domestic laws of each Contracting Party.

ARTICLE IV EXPROPRIATION

Each Contracting Party shall not take any measures of expropriation, nationalization, or any other dispossession, having effect equivalent to nationalization or expropriation against the investments of a national of the other Contracting Party except under the following conditions:

a. the measures are taken for a lawful purpose, for public interest and under due process of law;

b. the measures are non discriminatory;

c. the measures are accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation

shall amount to the fair market value of the investments affected immediately before the measures of expropriation became a public knowledge. Such market value shall be determined in accordance with internationally acknowledged practices and methods or, where such fair market value cannot be determined, it shall be such reasonable amount as may be mutually agreed between the Contracting Parties hereto, and it shall be freely transferable in freely usable currencies from the Contracting Party.

ARTICLE V COMPENSATION FOR LOSSES

1. Nationals of one Contracting Party, whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement.

2. The treatment shall not be less favourable than that which the latter Contracting Party accords to its own nationals or nationals of any third state, whichever is more favourable to the nationals concerned.

ARTICLE VI TRANSFER

1. Each Contracting Party shall subject to its laws and regulations, allow without unreasonable delay the free transfer of investments made by nationals of the other Contracting Party. Such transfer shall include, in particular, though not exclusively:

a. profits, interests, dividends and other current income accruing from investments;