

No. 30366

**REPUBLIC OF KOREA
and
CHINA**

**Agreement on the encouragement and reciprocal protection
of investments (with protocol). Signed at Beijing on
30 September 1992**

Authentic texts: Korean, Chinese and English.

Registered by the Republic of Korea on 6 October 1993.

**RÉPUBLIQUE DE CORÉE
et
CHINE**

**Accord relatif à la promotion et à la protection réciproque
des investissements (avec protocole). Signé à Beijing le
30 septembre 1992**

Textes authentiques : coréen, chinois et anglais.

Enregistré par la République de Corée le 6 octobre 1993.

AGREEMENT¹ ON THE ENCOURAGEMENT AND RECIPROCAL
PROTECTION OF INVESTMENTS BETWEEN THE GOVERN-
MENT OF THE REPUBLIC OF KOREA AND THE GOVERN-
MENT OF THE PEOPLE'S REPUBLIC OF CHINA

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

Desiring to strengthen economic cooperation between the two States,

Intending to create favourable conditions for investment by investors of each State within the territory of the other State by means of the favourable treatment and the protection accorded by each Contracting Party to investment, business activities in connection therewith, and

Recognizing that the encouragement and reciprocal protection of investment will stimulate economic and technological exchanges between the two States,

Have agreed as follows:

Article 1

For the purposes of the present Agreement:

- (1) The term 'investments' means every kind of asset, used as investment by investors of one State within the territory of the other State, in accordance with the applicable laws and

¹ Came into force on 4 December 1992, i.e., the thirtieth day following the date on which the Contracting Parties had notified each other of the completion of the domestic procedures, in accordance with article 16 (1).

regulations of the other State at the time of investment and shall include, in particular, though not exclusively:

- (a) movable and immovable property as well as any other property rights in rem such as mortgages, liens, pledges, usufruct and similar rights;
- (b) shares, stocks, bonds and debentures or any other forms of participation in a company, business enterprise or joint venture;
- (c) claims to money or to any performance having an economic value associated with an investment;
- (d) intellectual property rights, including copyrights, trade marks, patents, industrial designs, technical processes, know-how, trade secrets and trade names, and goodwill;
- (e) any right conferred by law or under contract and any licences and permits pursuant to law, including the right to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their classification as investment.

- (2) The term "returns" means the amounts yielded by an investment, and, in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties and fees. Returns from investments and, in the case of their reinvestments, returns from those reinvestments shall enjoy the same protection as investments.
- (3) The term "investors" means nationals or companies of one State who invest in the territory of the other State.

- (a) The term "nationals" means, in relation to one Contracting Party, physical persons possessing the nationality of that State.
- (b) The term "companies" means:
- (i) in relation to the Republic of Korea, corporations, partnerships, companies and associations whether or not with limited liability, whether or not with legal personality and whether or not for pecuniary profit; and
 - (ii) in relation to the People's Republic of China, enterprises, other economic organizations and associations.

Companies constituted under the applicable laws and regulations of one State and having their seat within its territory shall be deemed companies of that State.

Article 2

1. Each Contracting Party shall within the territory of its own State promote as far as possible investment by investors of the other State and shall enable such investment to get admission in accordance with the applicable laws and regulations of the former State.
2. Investors of either State shall within the territory of the other State be accorded treatment no less favourable than that accorded to investors of third State in respect of the admission of investment and the matters in connection therewith.
3. Nationals of either State who wish to enter the territory of the other State and to remain therein for the purpose of making investment and carrying on business activities in connection therewith, shall be given sympathetic consideration to their applications for the entry,

sojourn and residence in that State as well as to the applications for licenses and permits to conduct business activities, in accordance with the applicable legislation of that State.

Article 3

1. Investors of either State shall within the territory of the other State be guaranteed treatment no less favourable than that accorded to investors of any third State, with respect to investments, returns and business activities in connection with the investment.

2. Investors of either State shall within the territory of the other State be guaranteed treatment no less favourable than that accorded to investors of the latter State, with respect to investments, returns and business activities in connection with the investment.

3. The term "business activities in connection with the investment" referred to in the provisions of the present Article shall include, in particular, though not exclusively:

- (a) the maintenance of branches, agencies, offices, factories and other establishments appropriate to the conduct of business activities;
- (b) the control and management of companies which they have established or acquired;
- (c) the employment and discharge of specialists including technical experts, executive personnel and attorneys, and other workers;
- (d) the making and performance of contracts.