

**No. 48366**

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**Japan  
and  
Pakistan**

**Agreement between Japan and the Islamic Republic of Pakistan concerning the promotion and protection of investment (with protocol). Tokyo, 10 March 1998**

**Entry into force:** *29 May 2002 by notification, in accordance with article 14*

**Authentic text:** *English*

**Registration with the Secretariat of the United Nations:** *Japan, 3 March 2011*

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**Japon  
et  
Pakistan**

**Accord entre le Japon et la République islamique du Pakistan relatif à l'encouragement et à la protection des investissements (avec protocole). Tokyo, 10 mars 1998**

**Entrée en vigueur :** *29 mai 2002 par notification, conformément à l'article 14*

**Texte authentique :** *anglais*

**Enregistrement auprès du Secrétariat des Nations Unies :** *Japon, 3 mars 2011*

[ ENGLISH TEXT - TEXTE ANGLAIS ]

AGREEMENT BETWEEN  
JAPAN AND THE ISLAMIC REPUBLIC OF PAKISTAN  
CONCERNING  
THE PROMOTION AND PROTECTION OF INVESTMENT

Japan and the Islamic Republic of Pakistan,

Desirous of strengthening economic cooperation between  
the two countries,

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

Recognizing that the promotion and protection of  
investment will stimulate the flow of capital and  
technology between the two countries,

Have agreed as follows:

Article 1

For the purposes of the present Agreement:

- (1) The term "investments" comprises every kind of  
asset including:
- (a) shares and other types of holding of companies;
  - (b) claims to money or to any performance under  
contract having a financial value which are  
associated with investment;
  - (c) rights with respect to movable and immovable  
property;
  - (d) intellectual property rights, including  
undisclosed information, and trade names; and
  - (e) concession rights including those for the  
exploration and exploitation of natural  
resources.

(2) The term "returns" means the amounts yielded by an investment, in particular, profit, interest, capital gains, dividends, royalties and fees.

(3) The term "nationals" means, in relation to one Contracting Party, physical persons possessing the nationality of that Contracting Party.

(4) The term "companies" means corporations, partnerships, companies and associations whether or not with limited liability, whether or not with legal personality and whether or not for pecuniary profit.

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

(5) The term "investors" means nationals as defined in sub-paragraph (3) of the present Article and companies as defined in sub-paragraph (4) of the present Article.

(6) The term "business activities in connection with the investment" includes:

- (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 established or acquired by investors;
- (c) the employment of accountants and other technical experts, executive personnel, attorneys, agents and other specialists;
- (d) the making and performance of contracts; and
- (e) the use, enjoyment or disposal, in relation to the conduct of business activities, of investments and returns.

## Article 2

1. Each Contracting Party shall, subject to its rights to exercise powers in accordance with the applicable laws and regulations, encourage and create favourable conditions for investors of the other Contracting Party to make investment in its territory, and, subject to the same rights, shall admit such investment.

2. Investors of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to investors of any third country in respect of the matters relating to the admission of investment.

#### Article 3

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

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

#### Article 4

Investors of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to investors of such other Contracting Party or to investors of any third country with respect to access to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction both in pursuit and in defense of their rights.

#### Article 5

1. Investments and returns of investors of either Contracting Party shall receive the most constant protection and security within the territory of the other Contracting Party.

2. Investments and returns of investors of either Contracting Party shall not be subjected to expropriation, nationalization or any other measure the effect of which would be tantamount to expropriation or nationalization, within the territory of the other Contracting Party unless such measures are taken for a public purpose and under due process of law, are not discriminatory, and are taken against prompt, adequate and effective compensation.

3. The compensation referred to in the provisions of paragraph 2 of the present Article shall represent the equivalent of the normal market value of the investments and returns affected at the time when expropriation, nationalization or any other measure the effect of which would be tantamount to expropriation or nationalization was publicly announced or when such measure was taken, whichever is the earlier, without reduction in that value due to the prospect of the very seizure which ultimately occurs. Such compensation shall be paid without delay and shall carry an appropriate interest taking into account the length of time until the time of payment. It shall be effectively realizable, freely convertible and freely transferable and shall be paid in a manner which would place investors in a position no less favourable than the position in which such investors would have been if the compensation had been paid immediately on the date of expropriation, nationalization or any other measure the effect of which would be tantamount to expropriation or nationalization.

4. Investors of either Contracting Party shall within the territory of the other Contracting Party be accorded treatment no less favourable than that accorded to investors of such other Contracting Party or to investors of any third country with respect to the matters set forth in the provisions of paragraphs 1 to 3 of the present Article.

#### Article 6

Investors of either Contracting Party who suffer within the territory of the other Contracting Party damage in relation to their investments, returns or business activities in connection with the investment, owing to the outbreak of hostilities or a state of national emergency such as revolution, revolt, insurrection or riot, shall be accorded treatment no less favourable than that accorded to investors of such other Contracting Party or to investors of any third country, as regards any measure to be taken by the other Contracting Party including restitution, compensation or other valuable consideration. In case payments are made under the present Article, the payments shall be effectively realizable, freely convertible and freely transferable.