No. 33847

FRANCE
and
ECUADOR

Agreement on the reciprocal promotion and protection of investments. Signed at Paris on 7 September 1994

Authentic texts: French and Spanish.

Registered by France on 19 June 1997.

FRANCE
et
ÉQUATEUR

Accord sur l'encouragement et la protection réciproques des investissements. Signé à Paris le 7 septembre 1994

Textes authentiques : français et espagnol.

Enregistré par la France le 19 juin 1997.

[TRANSLATION — TRADUCTION]

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF ECUADOR ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Republic of Ecuador, hereinafter referred to as "the Contracting Parties",

Desiring to develop economic cooperation between the two States and to create favourable conditions for French investments in Ecuador and Ecuadorian investments in France,

Prompted by a desire to create favourable conditions for increasing such investments,

Convinced that the promotion and protection of such investments are likely to stimulate transfers of capital and technology between the two countries in the interest of their economic development,

Have agreed on the following provisions:

Article 1

For the purposes of this Agreement:

1. The term "investment" shall apply to all assets belonging directly or indirectly to nationals or companies of one of the Contracting Parties such as property, rights and interests of any category, and particularly but not exclusively:

(*a*) Movable and immovable property, and all other real rights such as mortgages, preferences, usufructs, sureties and similar rights;

(*b*) Shares, issue premiums and other forms of participation, albeit minority, in companies constituted in the territory of either Contracting Party;

(*c*) Bonds, claims and rights to any benefit having an economic value;

(*d*) Intellectual, commercial and industrial property rights such as copyrights, patents for inventions, licences, registered trade marks, industrial models and designs, technical processes, registered trade names and goodwill;

(*e*) Concessions accorded by law or by virtue of a contract, including concessions for prospecting, cultivating, mining or developing natural resources.

It is understood that the said assets shall be invested in accordance with the legislation of the host State.

This Agreement shall apply to all investments made before or after the date of its entry into force.

Changes in the form in which assets are invested shall not affect their status as an investment, provided that the change is not contrary to the legislation of the host State.

[1] Came into force on 10 June 1996 by notification, in accordance with article 13.

2. The term "nationals" shall apply to individuals having the nationality of either Contracting Party.

3. The term "companies" shall apply to:

(i) Any body corporate constituted in the territory of either Contracting Party in accordance with its legislation and having its registered office there,

(ii) Any body corporate controlled by nationals of one Contracting Party or by bodies corporate having their registered office in the territory of one of the Contracting Parties and constituted in accordance with that Party's legislation.

4. The term "income" shall mean all the amounts yielded by an investment, such as profits, royalties, interest, capital appreciation and remuneration for services rendered, during a given period.

Income from the investment and, in the event of reinvestment, income from its reinvestment shall enjoy the same protection as the investment itself.

Article 2

The provisions of this Agreement shall apply to the investments of French nationals or companies in Ecuador and the investments of Ecuadorian nationals or companies in France.

Article 3

Each Contracting Party shall permit, promote and facilitate, in accordance with its legislation and with the provisions of this Agreement, investments made by nationals and companies of the other Contracting Party.

Article 4

Each Contracting Party shall undertake to accord just and equitable treatment, in accordance with the principles of international law, to the investments of nationals and companies of the other Contracting Party and to ensure that the exercise of the right so granted is not impeded either *de jure* or *de facto*.

In particular, but not exclusively, the following shall be considered as *de jure* or *de facto* impediments to just and equitable treatment: any restrictions on the purchase or transportation of raw materials and secondary materials, energy and fuel, and means of production and operation of all kinds, any impediment to the sale or transportation of goods within the country and abroad, and any other measures having a similar effect.

Investments made by nationals or companies of one Contracting Party shall be fully and completely protected and safeguarded by the other Contracting Party.

Neither Contracting Party shall in any way impede the management, preservation, use, enjoyment or transfer of the investments of nationals or companies of the other Contracting Party.

Article 5

Each Contracting Party shall accord to nationals or companies of the other Party, in respect of their investments and activities in connection with such investments, the same treatment as is accorded to its own nationals or companies, or the treatment accorded to nationals or companies of the most favoured nation, if the latter is more advantageous. For this purpose, the nationals of a Contracting Party