

**No. 21782**

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**FRANCE  
and  
LIBERIA**

**Agreement for the reciprocal promotion and protection of  
investments. Signed at Paris on 23 March 1979**

*Authentic texts: French and English.*

*Registered by France on 30 March 1983.*

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**Convention sur l'encouragement et la protection récipro-  
ques des investissements. Signée à Paris le 23 mars  
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*Textes authentiques : français et anglais.*

*Enregistrée par la France le 30 mars 1983.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LIBERIA AND THE GOVERNMENT OF THE REPUBLIC OF FRANCE FOR THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of France and the Government of the Republic of Liberia (hereinafter referred to as the Contracting Parties), desiring to strengthen the economic cooperation between both States, have agreed as follows:

*Article 1.* For the purpose of this Agreement:

(1) The term “investment” means every kind of goods, rights and interests of whatever nature in particular, though not limited to the following:

- (a) Movable and immovable property as well as any other rights in them, such as mortgages, liens, usufruct pledge and similar rights;
- (b) Shares, premium or shares and other kinds of interests including minority or indirect forms in companies constituted in the territory of one Party;
- (c) Title to money or debentures or title to any legitimate performance having an economic value;
- (d) Copy-rights, industrial property rights, technical processes, trade names and goodwill;
- (e) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract, or exploit natural resources, including those which are located in adjacent maritime areas over which the Contracting Parties exercise sovereign rights;

it being understood that those investments are investments which have already been made or may be made subsequent to the entering into force of this Agreement, in accordance with respective legislations of both Contracting Parties.

Any alteration of the form in which assets are invested shall not affect their qualification as investment provided that such alteration is not in conflict with the legislation of the State in the territory of which the investment is made and is consistent with the approval granted for the initial investment.

(2) The term “nationals” means physical persons possessing the nationality of either Contracting Party.

(3) The term “company” means any legal person constituted in the territory of one Contracting Party in accordance with the legislation of that Party, having its head office in the territory of that Party, and controlled by interests of either Contracting Party.

*Article 2.* Each Contracting Party shall admit and encourage in its territory, in accordance with its legislation, investments by nationals or companies of the other Contracting Party.

<sup>1</sup> Came into force on 22 January 1982, i.e., one month after the date of the exchange of the instruments of ratification or approbation, which took place on 22 December 1981, in accordance with article 13.

*Article 3.* Either Contracting Party shall extend fair and equitable treatment in accordance with the principles of international law to investments made by nationals and companies of the other Contracting Party and shall ensure that the exercise of the right thus recognized shall not be hindered either in law or in practice.

This treatment shall be at least the same as that accorded by each Contracting Party to nationals or companies of the most favored State.

*Article 4.* Nationals or companies of either Contracting Party shall enjoy the benefits resulting from the exercise of their professional and economic activities which are related to the investments which they pursue on the territory of the other Contracting Party according to national treatment or treatment of the most favored nation if this last one is more favorable.

*Article 5.* Neither Contracting Party shall take any measures of expropriation or nationalization, or any other measures having the effect of dispossession, direct or indirect, of nationals or companies of the other Contracting Party of their investments except in the public interest and provided that these measures are not discriminatory.

Any measures of dispossession which might be taken shall give rise to prompt, adequate and effective compensation representing the real value of the investment concerned in keeping with standard and accepted practice of international law.

The said compensation, the amount and conditions of payment of which shall be set no later than the date of dispossession, shall be effectively realizable. It shall be paid without delay or as may be mutually agreed between the Parties and shall be freely transferrable.

The provisions of this article shall not be invoked by companies or nationals of either Contracting Parties to claim such compensation in case of normal application of internal fiscal laws.

*Article 6.* Each Contracting Party of the territory in which investments have been made by nationals and companies of the other Contracting Party shall guarantee to these nationals and companies the free transfer of:

- (a) Returns on investments;
- (b) Royalties deriving from incorporeal rights as defined in article 1, 1, above;
- (c) Repayment of loans which have been regularly contracted;
- (d) The value of partial or total liquidation of the investment, including capital gains and increases in the capital invested;
- (e) Compensation described in article 5 above.

The nationals of either Contracting Party who have been authorized to work as a result of an approved investment in the territory of the other Contracting Party shall also be permitted to transfer to their country of origin an appropriate proportion of their earnings.

The transfers referred to in this article shall be promptly effected at the official exchange rate prevailing on the date of transfer.

*Article 7.* In the event that the regulations of one Contracting Party contains a guarantee for investments made abroad, this guarantee may be accorded, after

examining each particular case, to investments made in the territory of the other Party by nationals or companies of this Party.

Investments made by nationals or companies of one Contracting Party in the territory of the other Party may obtain the guarantee referred to in paragraph 1 of article 7 only if they have been previously agreed to by the latter Party.

*Article 8.* Each Contracting Party agrees to submit to the International Centre for the Settlement of Investment Disputes (ICSID) disputes in respect of investments, arising between a Contracting Party and a national(s) or companies of the other Contracting Party or the other Contracting Party, including cases in which this Party is subrogated to the rights of its nationals or companies according to provisions of article 9 of this Agreement.

*Article 9.* If one Contracting Party, as a result of a guarantee given for an investment made in the territory of the other Contracting Party, makes payments to its own nationals or companies, the first mentioned Party has in this case full rights of subrogation with regard to the rights and actions of the said nationals or companies. The subrogation of rights shall also apply to the rights of transfer and arbitration referred to in articles 6 and 8 above.

*Article 10.* Investments having formed the subject of a special commitment of one Contracting Party with respect to the nationals or companies of the other Party shall be governed, without prejudice to the provisions of this Agreement, by the terms of the said commitment if the latter includes provisions more favourable than those of the present Agreement.

*Article 11.* The most-favored-nation treatment referred to in articles 3 and 4 of the present Agreement shall not be construed to extend to privileges that one Contracting Party accords to nationals or companies of a third State by virtue of its membership in or association with a custom union, a common market or a free trade area.

*Article 12.* Any disagreement relating to the interpretation or application of this Agreement which has not been settled by diplomatic channels within a period of six months may be submitted, at the request of either Contracting Party, to an arbitral tribunal to be created as follows:

Each Contracting Party shall appoint one arbitrator within one month of the receipt of the request for arbitration. The two arbitrators thus appointed shall appoint a third arbitrator, who must be a national of a third country, within two months from the date of notification by the last of the two Parties to appoint its arbitrator.

If the periods specified in the paragraph above have not been met, either Contracting Party in the absence of any other agreement shall invite the Secretary-General of the United Nations to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Under-Secretary next in seniority to the Secretary-General, who is not a national of either Contracting Party, shall make the necessary appointments.

The Contracting Parties may agree in advance to appoint for a period of five years, which shall be renewable, the person to serve in the capacity of third arbitrator in case of disagreement.

The tribunal shall reach its decision by a majority of votes and the decision of the arbitral tribunal shall be final and legally binding upon the Contracting Parties. The tribunal shall establish its own rules of procedure.

Each Contracting Party shall bear the cost of its own member and of its counsel during the arbitral period. The cost of the Chairman and the remaining costs of the arbitration proceedings shall be shared equally between the Contracting Parties.

*Article 13.* The present Agreement shall be approved in accordance with the constitutional procedure in force in each Contracting State; the exchange of instruments of ratification or approbation shall take place as soon as possible.

The Agreement shall enter into force one month after the date of the exchange of instruments of ratification or approbation.

The present Agreement shall be in force for an initial period of ten years. It shall remain in force thereafter unless one of the Contracting Parties gives one year's written notice of termination through diplomatic channels.

In case of termination, this Agreement shall continue to be effective for investments made before the termination for a period of fifteen years.

IN WITNESS WHEREOF the representatives of the Governments of both Contracting States, duly authorized thereto, have signed this Agreement.

DONE at Paris the 23rd day of March A.D. 1979, in duplicate in the French and English languages, both texts being equally authentic.

For the Government  
of the Republic of France:

[Signed]

RENÉ MONORY  
Minister of Economy

For the Government  
of the Republic of Liberia:

[Signed]

JAMES T. PHILLIPS, Jr.  
Minister of Finance