AGREEMENT

BETWEEN

THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA

AND

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the HKSAR"), having been duly authorised to conclude this Agreement by the Central People's Government of the People's Republic of China, and the Government of the United Arab Emirates ("the UAE") (hereinafter collectively referred to as "the Contracting Parties"),

Desiring to create favourable conditions for fostering greater mutually beneficial inward and outward investment between them by investors of one Contracting Party in the area of the other Contracting Party;

Recognising that investor protection objectives shall not override the Contracting Parties' rights to take measures directed to protect legitimate public interest provided that such measures comply with the customary international law minimum standard of treatment of aliens;

Acknowledging the benefits of the promotion of greater economic co-operation with respect to investments made by investors of one Contracting Party in the area of the other Contracting Party;

Recognising that the encouragement and reciprocal protection under agreement of such investments will be conducive to the stimulation of individual business initiative and will increase prosperity in both areas;

Recognising that investments are established in accordance with the laws and regulations of the Contracting Party in whose area the investments are established;

Have agreed as follows:

ARTICLE 1
Definitions

For the purposes of this Agreement:

(a) "area"

(i) in respect of the HKSAR, includes Hong Kong Island, Kowloon and the New Territories;

(ii) in respect of the UAE, means the territory of the UAE, which is under its sovereignty as well as the territorial sea, airspace and submarine areas and any other area outside its territorial sea over which the UAE exercises sovereignty and jurisdictional rights in relation to the waters, sub-soil, seabed and natural resources in accordance with international law and the laws of the UAE;

(b) "companies" means:

(i) in respect of the HKSAR: corporations, trusts, partnerships, joint ventures, sole proprietorships, and associations incorporated or constituted under the law in force in its area, and branches of a company;

(ii) in respect of the UAE: corporations, trusts, partnerships, joint ventures, sole proprietorships, associations, statutory bodies, instrumentalities, agencies, government-owned institutions and other legal entities incorporated or constituted under the law in force in any part of its area, and branches of a company;

(c) "freely convertible" means free of all currency exchange controls and transferable abroad in any currency;

(d) "investment" means every kind of asset invested directly or indirectly by investors of one Contracting Party in the area of the other Contracting Party in accordance with its laws and regulations and shall include in particular:

(i) movable and immovable property and any other property rights such as mortgages, liens or pledges;

(ii) shares in and stocks and debentures of a company and any other form of participation in a company;

(iii) claims to money or to any performance under contract having a financial value associated with an investment;

(iv) intellectual property rights;

(v) business concessions conferred by law or under contract, excluding concessions to search for, cultivate, extract or exploit natural resources;

but "investment" shall not include:

(vi) claims to money that arise from a commercial contract for the sale of goods and services by a person or a company of a Contracting Party in its area to a company of the other Contracting Party; and

(vii) extension of credit in connection with a commercial transaction such as trade financing.

A change in the form in which assets are invested does not affect their character as investments provided that such change is in accordance with the laws and regulations of the Contracting Party in whose area the investment has been made. The term "investment" includes all investments, whether made before or after the date of entry into force of this Agreement;

(e) "investors" means:

(i) in respect of the HKSAR:

- natural persons who are permanent residents of the HKSAR; and
- companies as defined in sub-paragraph (b)(i) of this Article; and

(ii) in respect of the UAE:

- natural persons who are nationals of the UAE; and
- companies as defined in sub-paragraph (b)(ii) of this Article;

(f) "returns" means the amounts yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties and fees;

(g) "measure" includes a law, regulation, procedure, requirement or practice;

(h) "TRIPS Agreement" means the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (contained in Annex 1C of the *Marrakesh Agreement Establishing the World Trade Organization*), as revised or amended from time to time by a revision or amendment that applies to the Contracting Parties and including any waiver in force between the Contracting Parties of any provision thereof granted by Members of the World Trade Organization in accordance with the *Marrakesh Agreement Establishing the World Trade Organization*.

ARTICLE 2
Scope of Application

(1) This Agreement shall apply to investments made prior to or after its entry into force by investors of one Contracting Party in the area of the other Contracting Party in accordance with the laws and regulations of the other Contracting Party.

(2) This Agreement shall apply to measures adopted or maintained by a Contracting Party, after the entry into force of this Agreement, relating to investors of the other Contracting Party or their investments.

(3) This Agreement shall not apply to disputes arising out of events that have occurred before the entry into force of this Agreement, including any disputes that arose and any claims settled before the entry into force of this Agreement.

(4) This Agreement shall not apply to:

(a) subsidies or grants provided by a Contracting Party, including government-supported loans, guarantees, and insurance; or

(b) government procurement.

ARTICLE 3

Promotion and Protection of Investments and Returns

(1) Each Contracting Party shall, to the extent permitted by its laws and policies, encourage and create favourable conditions for investors of the other Contracting Party to make investments in its area.

(2) Investments and returns of investors of each Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the area of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the management, maintenance, use, enjoyment or disposal of investments in its area of investors of the other Contracting Party.

(3) The unreasonable or discriminatory measures of a Contracting Party referred to in paragraph (2) may arise from any of the following requirements:

(a) to export a given level or percentage of a good or service;

(b) to achieve a given level or percentage of domestic content;

(c) to purchase, use or accord a preference to a good produced or service provided in its area, or to purchase a good or service from a person in its area;

(d) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows in connection with the investment concerned;

(e) to restrict sales of a good or service in its area that the investment concerned produces or provides by relating those sales to the volume or value of its exports or foreign exchange earnings;

(f) to transfer technology, a production process or other proprietary knowledge to a person in its area; or

(g) to supply exclusively from its area a good that the investment concerned produces or a service it provides to a specific regional market or to the world market.

Subparagraph (f) does not include any requirement imposed or commitment or undertaking enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of the Contracting Party's competition law.

(4) The obligation in paragraph (2) to provide:

(a) "fair and equitable treatment" requires each Contracting Party not to deny justice in criminal, civil or administrative adjudicatory proceedings in accordance with the principle of due process;

(b) "full protection and security" requires each Contracting Party to take such measures as may be reasonably necessary to ensure the physical protection and security of the investment of an investor of the other Contracting Party.

(5) For greater certainty, the concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens, and do not create additional substantive rights.

(6) A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of paragraph (2).

(7) Each Contracting Party, subject to its laws and regulations, may give sympathetic consideration in granting natural persons of the other Contracting Party temporary entry and stay for the purpose of engaging in investments in its area.

ARTICLE 4
Treatment of Investments

(1) Neither Contracting Party shall in its area subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords, in like circumstances, to investments or returns of its own investors in respect of their management, maintenance, use, enjoyment or disposal.

(2) Neither Contracting Party shall in its area subject investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords, in like circumstances, to its own investors.

(3) Neither Contracting Party shall in its area subject investments or returns of investors of the other Contracting Party to treatment less favourable than that which it accords, in like circumstances, to investments or returns of investors of any third party in respect of their management, maintenance, use, enjoyment or disposal.

(4) Neither Contracting Party shall in its area subject investors of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords, in like circumstances, to investors of any third party.

(5) Paragraphs (1) and (2) shall not apply to:

(a) any existing non-conforming measures maintained in the area of a Contracting Party;

(b) any measures maintained or adopted in the area of a Contracting Party after the date of entry into force of this Agreement, which are listed in schedules to be exchanged between the Contracting

Parties. Such schedules may be amended by the Contracting Parties as they deem necessary.

(6) The obligations under this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party and their investments and returns the benefits of any treatment, preference or privilege resulting from:

(a) any existing or future bilateral, plurilateral or multilateral agreement or arrangement establishing a free trade area, a customs union, a common market, an economic organisation or similar institution to which either of the Contracting Parties is or may become a party;

(b) any existing or future bilateral, plurilateral or multilateral agreement or arrangement relating wholly or mainly to taxation to which either of the Contracting Parties is or may become a party or any domestic legislation relating wholly or mainly to taxation; or

(c) any existing or future bilateral, plurilateral or multilateral agreement or arrangement relating wholly or mainly to aviation to which either of the Contracting Parties is or may become a party.

(7) For greater certainty, agreements or arrangements referred to in paragraph (6)(a) shall include any further and subsequent agreements or arrangements to such agreements or arrangements which exist on the date on which this Agreement comes into force.

(8) For greater certainty, the obligation in this Article does not encompass a requirement to extend to investors of the other Contracting Party dispute resolution procedures other than those set out in this Agreement.

ARTICLE 5

Compensation for Losses

(1) Investors of one Contracting Party whose investments in the area 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 area of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other

settlement, no less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third party, whichever is more favourable to the investor concerned. Resulting payments shall be freely convertible.

(2) Without prejudice to paragraph (1) of this Article, investors of one Contracting Party who in any of the situations referred to in that paragraph suffer losses in the area of the other Contracting Party resulting from:

(a) requisitioning of their property by its forces or authorities; or

(b) destruction of their property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

shall be accorded, without delay, restitution or reasonable compensation. Resulting payments shall be freely convertible.

(3) For the purpose of paragraph (2) of this Article, the term "forces" means in respect of the HKSAR the armed forces of the People's Republic of China, and the term "authorities" includes in respect of either Contracting Party its police authorities.

ARTICLE 6
Expropriation

(1) Investments and returns of the investors of either Contracting Party shall not be expropriated, directly or indirectly, nor be subjected to any measures having effect equivalent to such expropriation, including measures whereby such investments become under the sole ownership of the government of the other Contracting Party (hereinafter referred to as "expropriation"), in the area of the other Contracting Party, except in accordance with due process of law, for a public purpose related to the internal needs of that Contracting Party, on a non-discriminatory basis, and against compensation. Such compensation shall amount to the real value of the expropriated investment immediately before the expropriation or before the impending expropriation became public knowledge whichever is the earlier. Where the real value cannot be readily ascertained, the compensation shall be determined in accordance with generally recognised principles of valuation and equitable principles taking into account the capital invested, depreciation, capital already repatriated, replacement value, currency

exchange rate movements and other relevant factors. Compensation shall include interest at a normal commercial rate from the date of expropriation until the date of payment, shall be made without undue delay, be effectively realisable and be freely convertible. The investor affected shall have a right, under the law of the Contracting Party making the expropriation, to prompt review by a judicial or other independent authority of that Contracting Party, of the investor's case and of the valuation of the investment in accordance with the principles set out in this paragraph.

(2) Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its area, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee compensation referred to in paragraph (1) in respect of such investment to such investors of the other Contracting Party who are owners of those shares.

(3) For greater certainty, this Article does not apply to the issuance of compulsory licences granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with the TRIPS Agreement.

ARTICLE 7
Transfers

(1) In accordance with its laws and regulations in force in the area of the Contracting Party, each Contracting Party shall ensure that all payments relating to an investment in its area of an investor of the other Contracting Party shall be freely transferred into and out of such area without delay. Such transfers shall include, in particular:

(a) initial capital and additional amounts to maintain or increase an investment;

(b) returns;

(c) payments made under a contract, including repayments pursuant to a loan agreement;

(d) proceeds from the sale or liquidation of all or any part of an investment;

(e) payments of compensation under Articles 5 and 6 of this Agreement;

(f) payments under Article 10 of this Agreement;

(g) payments arising out of the settlement of an investment dispute;

(h) earnings and other remuneration of personnel engaged from abroad in connection with an investment;

(i) profits and returns of airlines.

(2) Transfers of currency shall be effected without delay in any freely convertible currency. Unless otherwise agreed by the investor, transfers shall be made at the market exchange rate prevailing on the date of transfer.

(3) Notwithstanding paragraphs (1) and (2) of this Article, a Contracting Party may in accordance with its laws and regulations, in good faith and in equitable and non-discriminatory manner temporarily prevent the transfers to apply its laws and regulations relating to:

(a) protection of creditors in bankruptcy proceedings; or

(b) criminal offences.

ARTICLE 8

Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

(1) Any dispute between an investor of one Contracting Party and the other Contracting Party concerning an investment of the investor covered by this Agreement shall, as far as possible, be settled amicably through consultation between the parties to the dispute.

(2) To start consultation, the investor shall deliver to the Contracting Party a written notice. The notice shall specify:

(a) the name and address of the disputing investor;

(b) the provisions of this Agreement alleged to have been breached;

(c) the factual and legal basis for the claim; and

(d) the remedy sought and the amount of damages claimed.

(3) When required by the Contracting Party, if the dispute cannot be settled amicably within six months from the date of receipt of the written notice, it shall be submitted to the competent authorities of that Contracting Party or arbitration centres thereof, for conciliation.

(4) This Article shall not be construed so as to prevent an investor of either Contracting Party from submitting the dispute to the competent courts of the Contracting Party where the investment is made.

(5) If the dispute cannot be settled amicably within six months from the date of receipt of the written notice or from the start of the conciliation referred to in paragraph (3) of this Article, the dispute shall upon the request of the investor be settled by arbitration by submitting the dispute to:

(a) an arbitral tribunal in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as revised in 2010; or

(b) the International Court of Arbitration of the International Chamber of Commerce for settlement by an arbitral tribunal in accordance with the Rules of Arbitration of the International Chamber of Commerce as in force as of 1 January 2012; or

(c) the Arbitration Institute of the Stockholm Chamber of Commerce for settlement by an arbitral tribunal in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce as in force as of 1 January 2010.

Each Contracting Party, by this Agreement consents in advance, even in the absence of an individual arbitral agreement between the Contracting Party and the investor, to submit any such dispute to any of the above-mentioned tribunals. The parties to the dispute may agree in writing to modify the above-mentioned

arbitration rules applicable to the arbitration.

(6) For greater certainty, in the event that an investor has submitted the dispute to a competent court within the area of the other Contracting Party, the same dispute shall not be submitted to arbitration referred to in paragraph (5).

(7) Provided that the above-mentioned arbitration rules applicable to the arbitration and the award have been met, the award shall be final and binding on the disputing parties. Each Contracting Party shall ensure the recognition and enforcement of the arbitral award in accordance with its laws and regulations.

(8) If there is a written contract or agreement between a Contracting Party and an investor of the other Contracting Party whereby the dispute thereunder shall be resolved only in accordance with the procedure specified therein, this Article shall not be applied.

(9) This Article shall not be applied if more than five years have elapsed from the date on which the investor first acquired, or should have first acquired, knowledge of the alleged breach and knowledge that the investor has incurred loss or damage thereby.

ARTICLE 9

Settlement of Disputes between the Contracting Parties

(1) A Contracting Party may request consultations on the interpretation or application of this Agreement. The other Contracting Party shall give sympathetic consideration to the request. A dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, whenever possible, be settled amicably through consultations.

(2) If a dispute cannot be settled through consultations, it shall, at the request of a Contracting Party, be submitted to an arbitral tribunal for decision.

(3) An arbitral tribunal shall be constituted for each dispute. Within two months after receipt through formal channels of the request for arbitration, each Contracting Party shall appoint one member to the arbitral tribunal. The two members shall then select a national of a State which can be regarded as neutral in relation to the dispute who, upon approval by the two Contracting Parties, shall be appointed Chair of the arbitral tribunal. The Chair shall be appointed within

two months from the date of appointment of the other two members of the arbitral tribunal.

(4) If within the periods specified in paragraph (3) the necessary appointments have not been made, a Contracting Party may invite the President of the International Court of Justice, in a personal and individual capacity, to make the necessary appointments. If the President is a national of a State which cannot be regarded as neutral in relation to the dispute, or is otherwise prevented from discharging the said function, the Vice-President or the next most senior Member who is not disqualified on that ground or otherwise prevented from discharging the said function, shall make the appointments.

(5) Members of the arbitral tribunal shall have expertise or experience in public international law, international trade or international investment rules, or the resolution of disputes arising under international trade or international investment agreements. They shall be independent of, and not be affiliated with or take instructions from, a Contracting Party.

(6) The arbitral tribunal shall determine its own procedure. The arbitral tribunal shall reach its decision by a majority of votes. The decision is binding on both Contracting Parties. Unless otherwise agreed, the decision of the arbitral tribunal shall be rendered within six months of the appointment of the Chair.

(7) Each Contracting Party shall bear the costs of its own member of the arbitral tribunal and of its representation in the arbitral proceedings. The costs related to the Chair and any remaining costs shall be borne equally by the Contracting Parties. The arbitral tribunal may, however, award that a higher proportion of costs be borne by one of the two Contracting Parties, and this award shall be binding on both Contracting Parties.

(8) The Contracting Parties may submit requests for clarification of the decision within thirty days after it is received and the arbitral tribunal shall endeavour to issue such clarification within thirty days of such request.

(9) Within 60 days of the decision of an arbitral tribunal or the issuance of a clarification of such decision, the Contracting Parties shall jointly decide on the manner in which to resolve their dispute. That decision must normally implement the decision of the arbitral tribunal. If the Contracting Parties fail to reach a decision, the Contracting Party bringing the dispute shall be entitled to compensation or to suspend benefits of equivalent value to those awarded by the arbitral tribunal.

ARTICLE 10
Subrogation

(1) If one Contracting Party or its designated agency makes a payment to its investor under an indemnity given in respect of an investment in the area of the other Contracting Party, the latter Contracting Party shall recognise:

(a) the assignment to the former Contracting Party or its designated agency by law or by legal transaction of all the rights and claims of the indemnified investor; and

(b) that the former Contracting Party or its designated agency is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as that investor.

(2) The former Contracting Party or its designated agency shall be entitled in all circumstances to the same treatment in respect of:

(a) the rights and claims acquired by it by virtue of the assignment; and

(b) any payments received in pursuance of those rights and claims,

as the indemnified investor was entitled to receive by virtue of this Agreement in respect of the investment concerned and its related returns.

(3) Any payments received by the former Contracting Party or its designated agency in pursuance of the rights and claims acquired shall be freely convertible. Such payments shall also be freely available to the former Contracting Party for the purpose of meeting any expenditure incurred in the area of the latter Contracting Party.

(4) Notwithstanding paragraph (1) of this Article, subrogation shall take place only after the approval of the competent authority of the Contracting Party in which the investment is made, if such an approval is required.

ARTICLE 11
Denial of Benefits

(1) A Contracting Party may at any time deny the benefits of this Agreement to an investor of the other Contracting Party and to investments of that investor if:

(a) the main purpose of acquiring the status of investor of the latter Contracting Party, or of structuring or acquiring its investment, was to obtain benefits under this Agreement in respect of any dispute in existence at the time of such acquisition or structuring, which benefits would not otherwise be available to the investor; or

(b) the investor is a company owned or controlled by a non-Contracting Party or the denying Contracting Party and the company has no substantial business activities in the area under whose law it is incorporated or constituted.

(2) Prior to denying the benefits of this Agreement, the denying Contracting Party shall notify the other Contracting Party.

ARTICLE 12
Transparency

(1) Each Contracting Party shall, as far as possible, publish, make publicly available or provide upon the request of the other Contracting Party, its laws, regulations, procedures and administrative rulings and judicial decisions of general application as well as international agreements which may affect the investments of investors of one Contracting Party in the area of the other Contracting Party.

(2) Nothing in this Agreement shall require a Contracting Party to furnish or allow access to any confidential or proprietary information, including information concerning particular investors or investments, the disclosure of which would impede law enforcement or be contrary to its laws protecting confidentiality or prejudice legitimate commercial interests of particular investors.

ARTICLE 13
Consultations

The Contracting Parties shall, on the request of either of them, hold consultations on any matter relating to the implementation, application or amendment of this Agreement, or settlement of disputes under this Agreement. These consultations shall be held at a place and at a time to be agreed in writing between the Contracting Parties.

ARTICLE 14
Communications

(1) Subject to paragraph (2), communications between the Contracting Parties shall be conducted through the following contact points:

(a) Trade and Industry Department of the HKSAR Government; and

(b) Ministry of Finance of the UAE.

(2) Each Contracting Party may amend its contact point mentioned in paragraph (1) by notice in writing to the other Contracting Party.

ARTICLE 15
Entry into Force

This Agreement shall enter into force thirty days after the date on which the Contracting Parties have notified each other in writing that their respective requirements for the entry into force of this Agreement have been complied with.

ARTICLE 16
Duration and Termination

(1) This Agreement shall remain in force for a period of fifteen years and shall thereafter remain in force indefinitely, unless terminated in accordance with paragraph (2) of this Article.

(2) Either Contracting Party may terminate this Agreement at any time after it has been in force for fifteen years by giving one year's written notice to the other Contracting Party.

(3) In respect of investments made prior to the date of termination of this Agreement, the provisions of Articles 1 to 14 shall remain in force for a further period of fifteen years from that date.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in two originals at Dubai this 16th day of June 2019 in the Chinese, Arabic and English languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

FOR THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA	**FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES**