(b) an enterprise of that Contracting Party;

Note: It is understood that an investor of a Contracting Party seeks to make investments in the Area of the other Contracting Party only when the investor has taken concrete steps necessary to make investments, such as when the investor has made an application for a permit or licence which authorises the establishment of investments.

(3) The term "enterprise of a Contracting Party" means any legal person or any other entity duly constituted or organised under the applicable laws and regulations of that Contracting Party, whether or not for profit, and whether private or government owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organisation or company;

(4) The term "investment activities" means operation, management, maintenance, use, enjoyment and sale or other forms of disposal of investments;

(5) The term "Area" means with respect to a Contracting Party:

(a) the territory of that Contracting Party; and

(b) the exclusive economic zone and the continental shelf with respect to which that Contracting Party exercises sovereign rights or jurisdiction in accordance with international law; and

(6) The term "freely usable currency" means freely usable currency as defined under the Articles of Agreement of the International Monetary Fund.

Article 2

1. Each Contracting Party shall promote as far as possible investment by investors of the other Contracting Party and, subject to its rights to exercise powers in accordance with its applicable laws and regulations including those with regard to foreign ownership and control, admit such investment.

2. Each Contracting Party shall take appropriate measures to further improve investment environment in its Area for the benefit of investors of the other Contracting Party and their investments. In this regard, each Contracting Party shall endeavour to reduce or eliminate its restrictive measures, existing on the date of entry into force of this Agreement, vis-à-vis the investors of the other Contracting Party and their investments with respect to investment activities as well as the establishment, acquisition and expansion of investments.

Article 3

1. Each Contracting Party shall in its Area accord to investors of the other Contracting Party and to their investments treatment no less favourable than the treatment it accords in like circumstances to its own investors and to their investments with respect to investment activities.

2. Notwithstanding paragraph 1 above, each Contracting Party may prescribe special formalities in connection with investment activities of investors of the other Contracting Party in its Area, provided that such special formalities do not impair the substance of the rights of such investors under this Agreement.

Article 4

1. Each Contracting Party shall in its Area accord to investors of the other Contracting Party and to their investments treatment no less favourable than the treatment it accords in like circumstances to investors of a non-Contracting Party and to their investments with respect to investment activities and the matters relating to the admission of investment.

2. The provisions of paragraph 1 above shall not apply to:

(a) matters related to the acquisition of land property;

(b) any treatment accorded by a Contracting Party to investors of a non-Contracting Party and to their investments on the basis of reciprocity; and

(c) any preferential treatment resulting from the memberships of any bilateral and multilateral international agreement involving protection of new varieties of plants, aviation, fishery and maritime matters.