

(h) "investor" means

in the case of Canada:

- (i) any natural person possessing the citizenship of or permanently residing in Canada in accordance with its laws; or
- (ii) any enterprise incorporated or duly constituted in accordance with applicable laws of Canada,

who makes the investment in the territory of the Republic of Ecuador;
and

in the case of the Republic of Ecuador:

- (i) any natural person who is a national of Ecuador pursuant to its legislation; or
- (ii) any enterprise organized in accordance with the laws and regulations of Ecuador, with domicile in the territory of Ecuador

who makes the investment in the territory of Canada and who does not possess the citizenship of Canada;

- (i) "measure" includes any law, regulation, procedure, requirement, or practice;
- (j) "returns" means all amounts yielded by an investment and in particular, though not exclusively, includes profits, interest, capital gains, dividends, royalties, fees or other current income;
- (k) "state enterprise" means an enterprise that is governmentally-owned or controlled through ownership interests by a government;
- (l) "territory" means:
 - (i) in respect of Canada, the territory of Canada, as well as those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea, over which Canada exercises, in accordance with international law, sovereign rights for the purpose of exploration and exploitation of the natural resources of such areas;
 - (ii) in respect of Ecuador, the national territory of Ecuador, including the territorial sea, those maritime areas adjacent to the outer limit of the territorial sea, where it may, pursuant to its legislation and international law, exercise sovereignty, sovereign rights or jurisdiction.

ARTICLE II

Establishment, Acquisition and Protection of Investments

1. Each Contracting Party shall encourage the creation of favourable conditions for investors of the other Contracting Party to make investments in its territory.
2. Each Contracting Party shall accord investments or returns of investors of the other Contracting Party: