

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND THE
GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN CONSTITUTING
AN AGREEMENT RELATING TO FOREIGN INVESTMENT INSURANCE**

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*The Secretary of State for External Affairs of Canada to the Minister of
State for Defense and Foreign Affairs of the Islamic Republic of Pakistan*

Ottawa, February 24, 1976

No. FLA-137

EXCELLENCY,

I have the honour to refer to discussions which have recently taken place between representatives of our two Governments relating to investments in the Islamic Republic of Pakistan which would further the development of economic relations between Canada and the Islamic Republic of Pakistan, and to insurance of such investments by the Government of Canada, through its agent the Export Development Corporation. I also have the honour to confirm the following understandings reached as a result of those discussions:

1. In the event of a payment by the Export Development Corporation under a contract of insurance for any loss by reason of:

- (a) war, riot, insurrection, revolution or rebellion in the Islamic Republic of Pakistan;
- (b) the arbitrary seizure, expropriation, confiscation or deprivation of use of any property by a Government, or agency thereof, in the Islamic Republic of Pakistan;
- (c) any action by a Government, or agency thereof, in the Islamic Republic of Pakistan, other than action of the kind described in sub-paragraph (b) that deprives the investor of any right in, or in connection with, an investment; and
- (d) any action by a Government, or agency thereof, in the Islamic Republic of Pakistan, that prohibits or restricts transfer of any money or removal of any property from that country;

the said Corporation, hereinafter called the "Insuring Agency" shall be authorized by the Government of the Islamic Republic of Pakistan to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title.

2. But to the extent that the laws of the Islamic Republic of Pakistan partially or wholly invalidate the acquisition of any interests in any property within its national territory by the Insuring Agency, the Government of the Islamic Republic of Pakistan shall permit the investor and the Insuring Agency to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of the Islamic Republic of Pakistan.