


CANADA



**AGREEMENT BETWEEN CANADA AND THE FEDERAL REPUBLIC OF GERMANY  
ON THE SETTLEMENT OF DISPUTES ARISING OUT OF DIRECT PROCUREMENT.**

CANADA  
AND  
THE FEDERAL REPUBLIC OF GERMANY

PURSUANT to sub-paragraph (b) of paragraph 6 of Article 44 of the Agreement to supplement the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces with respect to Foreign Forces stationed in the Federal Republic of Germany, signed at Bonn on August 3, 1959 (hereinafter referred to as the "Supplementary Agreement").<sup>(1)</sup>  
Have agreed as follows:

*Article 1*

For the settlement of disputes arising out of contracts or other arrangements concerning goods and services directly procured in the Federal territory by the authorities of the force or of the civilian component of Canada (hereinafter referred to as the "Canadian authorities") the following provisions shall apply.

*Article 2*

The Canadian authorities shall make every effort to reach an amicable settlement by negotiation with the contractor. The German authorities shall, at the request of the Canadian authorities, offer their good offices in a mediatory or advisory capacity in order to reach such settlement.

*Article 3*

1. If a dispute has not been settled by negotiation within a period of four months from the time that the contractor first submitted in writing to the Canadian authorities a request for a settlement, it shall be permissible for the contractor to submit the dispute to a German court. Submission of the dispute to a German court shall be permissible only to the extent that the dispute has not been settled by negotiation. A proposal for settlement of the dispute made by the Canadian authorities shall be deemed to have been accepted by the contractor if the latter does not, within six weeks after receipt, reject the proposal in writing.

2. The plaint brought by the contractor shall be lodged against the Federal Republic of Germany which shall conduct the case in its own name in the interest of Canada. The plaint shall be lodged with the court in whose area that German authority is situated which represents the Federal Republic of Germany in the case.

3. If the Canadian authorities so request, the German authorities shall lodge a plaint against a contractor in the name of the Federal Republic of Germany acting in the interest of Canada.

4. The decision on a plaint lodged in accordance with paragraphs 2 and 3 of this Article shall be based on the law which the parties have agreed upon at the time that the goods and services were ordered. If at the time of the order no agreement was made concerning the law to be applied, German law shall be applied.

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<sup>(1)</sup> Canada Treaty Series 1963 No. 21.