

ARTICLE 12

Eligible Investments

- (a) Eligible investments shall include equity interests, including medium- or long-term loans made or guaranteed by holders of equity in the enterprise concerned, and such forms of direct investment as may be determined by the Board.
- (b) The Board, by special majority, may extend eligibility to any other medium- or long-term form of investment, except that loans other than those mentioned in Section (a) above may be eligible only if they are related to a specific investment covered or to be covered by the Agency.
- (c) Guarantees shall be restricted to investments the implementation of which begins subsequent to the registration of the application for the guarantee by the Agency. Such investments may include:
 - (i) any transfer of foreign exchange made to modernize, expand, or develop an existing investment; and
 - (ii) the use of earnings from existing investments which could otherwise be transferred outside the host country.
- (d) In guaranteeing an investment, the Agency shall satisfy itself as to:
 - (i) the economic soundness of the investment and its contribution to the development of the host country;
 - (ii) compliance of the investment with the host country's laws and regulations;
 - (iii) consistency of the investment with the declared development objectives and priorities of the host country; and
 - (iv) the investment conditions in the host country, including the availability of fair and equitable treatment and legal protection for the investment.

ARTICLE 13

Eligible Investors

- (a) Any natural person and any juridical person may be eligible to receive the Agency's guarantee provided that:
 - (i) such natural person is a national of a member other than the host country;
 - (ii) such juridical person is incorporated and has its principal place of business in a member or the majority of its capital is owned by a member or members or nationals thereof, provided that such member is not the host country in any of the above cases; and