

CANADA

**FOREIGN INVESTMENT INSURANCE AGREEMENT BETWEEN CANADA AND THE
REPUBLIC OF INDONESIA**

I

*The Ambassador of Canada to the Minister of Foreign Affairs of the
Republic of Indonesia*

JAKARTA, March 16, 1973

Note No. 29

EXCELLENCY,

I have the honour to refer to discussions which have recently taken place between representatives of our two Governments relating to promoting investments of Canadian private capital in Indonesia which will strengthen and further the development of economic relations between the Republic of Indonesia and Canada, 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 payment by the Export Development Corporation, as the agency of the Government of Canada for investment insurance purposes, under a contract of insurance with Canadian private investors operating in the territory of the Republic of Indonesia for any loss or damage sustained in connection with such Canadian investments, for which a document of admission has been issued by the Government of the Republic of Indonesia, by reason of:

- (a) any action by the Government of the Republic of Indonesia, that prohibits or restricts transfer of any money to which a Canadian investor is entitled pursuant to the prevailing laws and regulations of the Republic of Indonesia;
- (b) nationalization/revocation of ownership rights of Canadian investors, restrictions of the rights of control and/or management of the investments concerned by the Government of the Republic of Indonesia or its agency thereof;
- (c) war, riot, insurrection, revolution or rebellion in the territory of the Republic of Indonesia, notwithstanding the right of the Republic of Indonesia to limit its liability in such circumstances and responsibilities thereof are accepted by the Government of the Republic of Indonesia;

the said Corporation, hereinafter called the "INSURING AGENCY", shall be authorized by the Government of the Republic of Indonesia to exercise the rights having been lawfully devolved on it, or having been assigned to it by the predecessor in title.

2. To the extent that the laws and regulations of the Republic of Indonesia partially or wholly invalidate the acquisition of any interest in any property within its national territory by the Insuring Agency, the Government of the Republic of Indonesia shall permit the Canadian investor and the Insuring Agency to make appropriate arrangements pursuant to which such interests