

A Canadian investor wishing to insure an investment against specific political risks must contact EDC at an early stage of the transaction in order that eligibility as a new investment can be established before the investor becomes irrevocably committed. The Foreign Investment Insurance policy is effective the day it is issued by EDC, and unless terminated sooner by the investor, shall continue in effect for the normal 15-year period, provided all terms and conditions of the policy are met. The maximum amount insurable at the time of issuance of a policy in respect of the three political risks is up to 300% of the dollar amount of the original investment for equity securities, and up to 200% of the dollar amount of the original investment for debt securities. In the case of a management contract, the maximum amount insurable is the annual earnings multiplied by the term of the policy.

Department of External Affairs

The Export Finance, Capital Projects and Trading House Division of the Department maintains up-to-date information on IFC, MIGA, CIDA and EDC programs of interest to Canadian corporate investors. In addition, the Geographic Bureaux can provide useful information on conditions in individual countries which may affect investors. The International Trade Centres throughout Canada can also be of assistance.

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