

EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF GRENADA CONSTITUTING AN AGREEMENT RELATING TO CANADIAN INVESTMENTS IN GRENADA INSURED BY CANADA THROUGH ITS AGENT, THE EXPORT DEVELOPMENT CORPORATION

I

The High Commissioner for Canada to the Prime Minister of Grenada

Bridgetown, February 8, 1977

No. 7

Sir,

I have the honour to refer to discussions which have recently taken place between representatives of our two Governments relating to investments in Grenada which would further the development of economic relations between Grenada 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 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 Grenada;
- (b) the arbitrary seizure, expropriation, confiscation or deprivation of use of any property by a Government, or agency thereof, in Grenada;
- (c) any action by a Government, or agency thereof, in Grenada, 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 Grenada, 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 Grenada 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 Grenada partially or wholly invalidate the acquisition of any interests in any property within its national territory by the Insuring Agency, the Government of Grenada 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 Grenada.

3. The Insuring Agency shall assert no greater rights than those of the transferring investor under the laws of Grenada with respect to any interest transferred or succeeded to as contemplated in paragraph 1. The Government of Canada does, however, reserve its right to assert a claim in its sovereign capacity in the event of a denial of justice or other question of state responsibility as defined in international law.

4. Should the said Insuring Agency acquire, under investment insurance contracts, amounts and credits of the lawful currency of the Government of Grenada, the said Government of Grenada shall accord to those funds treatment no different than that which it would accord if such funds were to remain with the investor, and such funds shall be freely available to the Government of Canada to meet its expenditures in the national territory of Grenada.

5. This Agreement shall apply only with respect to insured investments in projects or activities approved in writing by the Government of Grenada.