

in potential investments. Many of these projects will not proceed with MIGA or will be insured by an alternative political insurance carrier. To date, there has been only one request from a Canadian firm for the services of MIGA. This application is currently pending.

In addition to the concerns raised for investors in Russia by the country's poor institutional, legal and regulatory framework, the major consideration faced by investors applying for MIGA's coverage relates to the possibility of restrictions on the foreign exchange regime. These concerns appear to be particularly important in the oil and gas, and the real estate sectors, where there is a large capital outlay required. While many of the projects in these sectors are over the limit for MIGA qualification of US\$50 million, MIGA may expand to included itself in these projects along with other suppliers of political risk insurance.