

2. But to the extent that the laws of the People's Republic of China partially or wholly invalidate the acquisition of any interests in any property within its national territory by the Insuring Agency, the Government of the People's Republic of China 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 the People's Republic of China.
3. The Insuring Agency shall assert no greater rights than those of the transferring investor under the laws of the People's Republic of China 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 the People's Republic of China, the said Government of the People's Republic of China 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 the People's Republic of China.
5. This Agreement shall apply only with respect to insured investments in projects or activities which are approved by the Government of the People's Republic of China.
6. Differences between the two Governments, concerning the interpretation and application of provisions of this Agreement or any claim arising out of investments insured in accordance with this Agreement against either of the two Governments which, in the opinion of the other, present a question of public international law, shall be settled, insofar as possible, through negotiations between the Governments. If such differences cannot be resolved within a period of three months following the request for such negotiations, they shall be submitted, at the request of either Government, to an ad hoc tribunal for settlement in accordance with applicable principles and rules of public international law. The arbitral tribunal shall consist of three members and shall be established as follows: each Government shall appoint one arbitrator; a third member, who shall act as Chairman, shall be appointed by the other two members. The Chairman shall not be a national of either country. The arbitrators shall be appointed within two months and the Chairman within three months of the date of receipt of either Government's request for arbitration. If the foregoing time limits are not met, either Government may, in the absence of any other agreement, request the Secretary General of the United Nations to make the necessary appointment or appointments and both Governments agree to accept such appointment or appointments. The arbitral tribunal shall decide by a majority vote. Its decision shall be final and binding on both Governments. Each of the Governments shall pay the expenses of its members and its representation in the proceedings.