

CANADA

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND THE
GOVERNMENT OF ISRAEL CONSTITUTING AN AGREEMENT RELATING TO
CANADIAN INVESTMENTS IN ISRAEL INSURED BY THE GOVERNMENT OF
CANADA THROUGH ITS AGENT, THE EXPORT DEVELOPMENT CORPORA-
TION**

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*The Secretary of State for External Affairs of Canada to the Ambassador of
Israel*

Ottawa, May 1, 1972

EXCELLENCY,

I have the honour to refer to conversations which have recently taken place between the Government of Canada (the Insuring Government) and the Government of Israel (the Host Government) with a view to promoting the development of economic relations between the two countries.

The particular facility under consideration has been foreign investment insurance by the Insuring Government, through its agent the Export Development Corporation. The purpose of such facility is to promote investments in other countries by Canadian nationals whether individuals or corporations (including non-Canadian subsidiaries), by providing protection against specific risks to investments in **PROJECTS APPROVED BY THE GOVERNMENT OF THE INVESTMENT-RECEIVING (HOST) COUNTRY.**

The specific risks against which the Insuring Government offers protection are:

- (a) war, riot, insurrection, revolution or rebellion;
- (b) expropriation, confiscation or deprivation of any property right by a government or an agency thereof;
- (c) inconvertibility of foreign exchange.

On the basis of the conversations held, I have the honour to confirm the understanding between the Government of Israel and the Government of Canada as follows:

1. Subject to paragraph 2, when an investment suffers a loss by reason of a cause for which the Insuring Government has assumed the risks, the Host Government shall authorize the Insuring Government to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title;

2. To the extent that the laws of the Host Country partially or wholly invalidate the acquisition by the Insuring Government of any interests in any property within its national territory, the Host Government shall permit the investor and the Insuring Government to make appropriate arrangements