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## Framework for Co-operation

### 5.1 Agreements and Arrangements between Canada and the Philippines

A number of agreements and arrangements provide a basic framework for economic and commercial relations between Canada and the Philippines.

A Trade Agreement between Canada and the Philippines was concluded in 1972 and provides for reciprocal most-favoured-nation treatment (with certain specified exceptions) in all matters with respect to customs, import and export charges, and other regulations and requirements relating to the sale of imported goods.

The Convention between Canada and the Philippines for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed in March 1976 and came into effect in December 1977. The Convention is designed to eliminate the double taxation of individuals and companies of one country who do business or earn income in the other. It is an important instrument in encouraging bilateral trade and investment between the two countries.

An Agreement Concerning the Peaceful Uses of Nuclear Material, Equipment, Facilities and Information Transferred between Canada and the Republic of the Philippines was signed in June 1981 and came into force in April 1983. The present Government of the Philippines has decided, however, not to pursue the development of nuclear power at this time.

In 1986, Canada and the Philippines signed an Exchange of Notes, constituting a Foreign Investment Insurance Agreement, for the promotion and protection of investments between the two countries. The main purpose of the agreement is to lessen the risk for the Government of Canada, through its insuring agency (the Export Development Corporation), of providing insurance covering a loss of overseas investment by reason of inconvertibility, expropriation, nationalization, or war, revolution, and insurrection. The agreement is designed to facilitate the

EDC's investment insurance program in the Philippines and to increase Canadian investor interest.

Following Paris Club negotiations in May 1989, Canada concluded a Debt Rescheduling Agreement with the Philippines during President Aquino's visit in November 1989.

A Textile Product Restraint Arrangement was concluded with the Philippines in 1986 for the five-year period, January 1, 1987 to December 31, 1991. This replaced a previous arrangement which had been in place between 1982 and 1986. The arrangement places 11 of 13 clothing categories under restraint. The annual growth in export restraint levels has ranged between 5 per cent and 8 per cent. The arrangement also provides for government-to-government consultations should imports escalate beyond reasonable levels.

A General Agreement on Development Co-operation between Canada and the Philippines was signed in November 1987. It provides a framework for Canada's development efforts in the Philippines. Key elements of the current five-year Canadian development assistance program were signed during the State Visit to Canada of President Aquino in November 1989.

During the President's visit, the two governments signed a Treaty on Extradition designed to promote bilateral co-operation in criminal matters and specifically to facilitate transfer of suspected felons from respective countries.

A Memorandum of Understanding on Fish Inspection was concluded in 1989 to facilitate the entry into Canada of two fishery products, canned tuna and frozen raw shrimp, from Philippine producers that meet Canadian and international standards of quality and safety. Technical annexes to this MOU were signed in April 1990.

In a regional context, Canada and the Philippines are signatories to the Agreement between Canada and ASEAN on Economic Co-operation, which came into effect in June 1982. Under the agreement, a Joint Co-operation Committee was established to review progress in a range of commercial and development endeavors between Canada and ASEAN.