

PROTOCOL

between the Government of Canada and the Government of the Russian Federation concerning questions relating to credits for deliveries of capital goods and services to the Russian Federation from Canada

The Government of Canada and the Government of the Russian Federation, for the purposes of broadening bilateral trade and economic co-operation, have agreed as follows:

ARTICLE I

The Government of Canada grants the Russian Federation a Line of Credit in the amount of 100 million Canadian dollars for the purchase of capital goods and services.

ARTICLE II

The Vnesheconombank and the Export Development Corporation shall, at the earliest possible moment, conclude an agreement concerning this Line of Credit for the purchase of capital goods and services.

ARTICLE III

The Government of the Russian Federation confirms that the Vnesheconombank has been duly authorized to enter into this Line of Credit Agreement as borrowing agent for and on behalf of the Russian Federation, pursuant to Decree No. 2524-I of March 16, 1992, of the Presidium of the Supreme Soviet of the Russian Federation.

The Government of the Russian Federation guarantees the execution of payments under the Line of Credit Agreement by the Vnesheconombank as a borrowing agent, and in case of any failure of the Vnesheconombank to execute its obligations under the above mentioned Agreement, to indemnify these payments to the Export Development Corporation if the necessity arises.

ARTICLE IV

The Credit will be used for financing up to eighty five percent of the cost of capital goods and/or services to be imported from Canada, pursuant to contracts between Canadian exporters and Russian importers. Contracts to be financed under the Credit must be approved by the Government of The Russian Federation and EDC on behalf of the Government of Canada.

ARTICLE V

Allocation of the credit may be made within 24 months from the date of signature of the Line of Credit Agreement by the Vnesheconombank and the Export Development Corporation.

ARTICLE VI

The length of the repayment term of the credit shall be established for each contract, depending inter alia on the type of capital goods and/or services purchased and the amount of the purchase, and shall consist of from 3 to 8.5 years.