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The Minister of External Affairs of Trinidad and Tobago to the High Commissioner of Canada

February 8, 1974

EXCELLENCY,

I acknowledge your letter of 8th February, 1974 regarding proposals for the Guarantees of Investment in Trinidad and Tobago by the Government of Canada which reads as follows:

"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 Trinidad and Tobago (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 herein after called the 'Insuring Agency'. 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 Agency 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 Trinidad and Tobago 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 Agency 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 Agency of any interests in any property within its national territory, the Host Government 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 Host Country;
3. The Insuring Agency shall assert no greater rights than those of the transferring investor under the laws of the Host Country with respect to any interest transferred or succeeded to as contemplated in paragraphs 1, and 2;