



Ottawa, January 18, 1984

JLE-0052

Excellency:

I have the honour to refer to discussions which have recently taken place between representatives of our two Governments relating to investments in the People's Republic of China and Canada and to insurance of such investments by the Government of Canada, through its agent the Export Development Corporation. I also have the honour to confirm the following understandings reached as a result of those discussions:

1. In the event of a payment by the Export Development Corporation under a contract of insurance for any loss by reason of the following political risks in the People's Republic of China:

- (a) war, or any other extraordinary political risks which result in damage to property of investors;
- (b) expropriation, confiscation or deprivation of use of any property by a Government, or an agency thereof, and any other action by a Government, or an agency thereof, which deprives the investor of any rights in, or in connection with, an investment, and;
- (c) any action by a Government, or an agency thereof, in the People's Republic of China that prohibits or restricts the transfer of any money or the removal of any property from that country;

the said Corporation, hereinafter called the Insuring Agency shall be recognized by the Government of the People's Republic of China to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title.

Mr. Jia Shi
Vice Minister of Foreign Economic
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