

before the arbitral tribunal; expenses of the Chairman and other costs shall be paid in equal parts by the two Governments. The arbitral tribunal may adopt other regulations concerning costs. In all other matters, the arbitral tribunal shall regulate its own procedures. Only the respective Governments may request arbitral procedure and participate in it.

7. The two Governments, recognizing the principles of equality, mutual benefit, and reciprocity that govern the relations between sovereign states, agree that, in the event that the Government of the People's Republic of China is authorized under its laws to issue coverage for investments in any project or activity within Canada under a program similar to the investment insurance program to which this Agreement relates, there shall be, upon the request of either Government, consultations as to how the rights and obligations governed by this Agreement would be reciprocated in respect of Chinese investments in Canada.

8. (a) If either Government considers it desirable to modify the provisions of this Agreement, this procedure may be carried out through a request for consultation and/or by correspondence and shall begin not later than sixty (60) days from the date of the request.
- (b) The modifications of the Agreement agreed between the two Governments shall enter into force upon their confirmation on a date which shall be mutually agreed upon by an exchange of notes.

I have the honour to propose that, if the foregoing is acceptable to your Government, this Note, which is authentic in English and French, and your reply to that effect shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply. This Agreement shall continue in force until terminated by either Government on six months' notice in writing to the other. In the event of termination, the provisions of the Agreement shall continue to apply, in respect of insurance contracts issued by the Government of Canada while the Agreement was in force, for the duration of these contracts; provided that in no case shall the Agreement continue to apply to such contracts for a period longer than 15 years after the termination of this Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

SYLVAIN CLOUTIER

*Chairman of the Board and
President of the Export
Development Corporation*

Mr. Jia Shi,
Vice Minister of Foreign Economic
Relations and Trade,
People's Republic of China.