



CANADA/SINGAPORE BILATERAL AGREEMENT
FOREIGN INVESTMENT INSURANCE

Excellency:

I have the honour to refer to discussions which have recently taken place between representatives of our two governments relating to investments in Singapore which would further development of economic relations between Singapore and Canada, and to guarantees 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:

- (a) war, riot, insurrection, revolution or rebellion in Singapore;
- (b) the arbitrary seizure, expropriation confiscation or deprivation of use of any property by a government, or agency thereof, in Singapore;
- (c) any action by a government, or agency thereof, in Singapore, other than action of the kind described in sub-para.(b) that deprives the investor of any right in, or in connection with, an investment; and
- (d) any action by a government, or agency thereof, in Singapore, that prohibits or restricts transfer of any money or removal of any property from that country,

the said corporation shall be authorized by the Government of Singapore to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title.

(2) But to the extent that the laws of Singapore partially or wholly invalidate the acquisition of any interests in any property within its national territory

by the Government of Canada, the Government of Singapore shall permit the investor and the Government of Canada to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of Singapore.

(3) The Government of Canada shall assert no greater rights than those of the transferring investor under the laws of Singapore with respect to any interest transferred or succeeded to as contemplated in para.1. The Government of Canada does, however, reserve its right to assert a claim in its sovereign capacity in the event of a denial of justice or other question of state responsibility as defined in international law.

(4) The legality of any expropriation by the Government of Singapore of investments insured by the Government of Canada, and the amount of compensation, shall be subject to review as prescribed by the law in force in Singapore.

(5) Should the Government of Canada acquire, under investment insurance contracts, amounts and credits of the lawful currency of the Government of Singapore, the said Government of Singapore shall accord to those funds treatment no different than that which it would accord if such funds were to remain with the investor, and such funds shall be freely available to the Government of Canada to meet its expenditures in the national territory of Singapore.

(6) This agreement shall apply only with respect to insured investments in projects or activities approved in writing by the Government of Singapore.

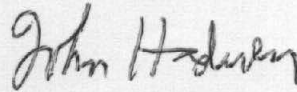
(7) Differences between the two governments concerning the interpretation and application of provisions of this agreement or any claim arising out of investments insured in accordance with this agreement, against either of the two governments, which in the opinion of the other presents a question of public international law shall be settled, insofar as possible, through negotiations between the governments. If such differences cannot be resolved

within a period of three months following the request for such negotiations, it shall be submitted, at the request of either government, to an ad hoc tribunal for settlement in accordance with applicable principles and rules of public international law. The arbitral tribunal shall consist of three members and shall be established as follows: each government shall appoint one arbitrator; a third member, who shall act as chairman, shall be appointed by the other two members. The chairman shall not be a national of either country. The arbitrators shall be appointed within two months and the chairman within three months of the date of receipt of either government's request for arbitration. If the foregoing time limits are not met, either government may, in the absence of any other agreement, request the president of international Court of Justice to make the necessary appointment or appointments and both governments agree to accept such appointment or appointments. The arbitral tribunal shall decide by majority vote. Its decision shall be binding and definitive. Each of the governments shall pay the expense of its member and its representation in the proceedings 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.

(8) 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, renewed assurances of my highest consideration.

A handwritten signature in dark ink, appearing to read "John Hadwen". The signature is fluid and cursive, with the first name "John" and last name "Hadwen" clearly distinguishable.

John G. Hadwen
High Commissioner of Canada
to Singapore

Singapore,
July 26, 1971.

REPUBLIC OF SINGAPORE.

30th July, 1971

CANADA/SINGAPORE BILATERAL AGREEMENT
FOREIGN INVESTMENT INSURANCE

Excellency,

(27) I have the honour to acknowledge receipt of your Note dated 26th July, 1971 which reads as follows:-

"Excellency,

I have the honour to refer to discussions which have recently taken place between representatives of our two governments relating to investments in Singapore which would further development of economic relations between Singapore and Canada, and to guarantees 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.

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- (a) war, riot, insurrection, revolution or rebellion in Singapore;
- (b) the arbitrary seizure, expropriation confiscation or deprivation of use of any property by a government, or agency thereof, in Singapore;

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- (c) any action by a government, or agency thereof, in Singapore, other than action of the kind described in sub-para. (b) that deprives the investor of any right in, or in connection with, an investment; and
- (d) any action by a government, or agency thereof, in Singapore, that prohibits or restricts transfer of any money or removal of any property from that country,

the said corporation shall be authorized by the Government of Singapore to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title.

(2) But to the extent that the laws of Singapore partially or wholly invalidate the acquisition of any interests in any property within its national territory by the Government of Canada, the Government of Singapore shall permit the investor and the Government of Canada to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of Singapore.

(3) The Government of Canada shall assert no greater rights than those of the transferring investor under the laws of Singapore with respect to any interest transferred or succeeded to as contemplated in para. 1. The Government of Canada does, however, reserve its right to assert a claim in its sovereign capacity in the event of a denial of justice or other question of state responsibility as defined in international law.

(4) The legality of any expropriation by the Government of Singapore of investments insured by the Government of Canada, and the amount of compensation, shall be subject to review as prescribed by the law in force in Singapore.

(5) Should the Government of Canada acquire, under investment insurance contracts, amounts and credits of the lawful currency of the Government of Singapore, the said Government of Singapore shall accord to those funds treatment no different than that which it would accord if such funds were to remain with the investor, and such funds shall be freely available to the Government of Canada to meet its expenditures in the national territory of Singapore.

(6) This agreement shall apply only with respect to insured investments in projects or activities approved in writing by the Government of Singapore.

(7) Differences between the two governments concerning the interpretation and application of provisions of this agreement or any claim arising out of investments insured in accordance with this agreement, against either of the two governments, which in the opinion of the other presents a question of public international law shall be settled, insofar as possible, through negotiations between the governments. If such differences cannot be resolved within a period of three months following the request for such negotiations, it shall be submitted, at the request of either government, to an ad hoc tribunal for settlement in accordance with applicable principles and rules of public international law. The arbitral tribunal shall consist of three members and shall be established as follows: each government shall appoint one arbitrator; a third member, who shall act as chairman, shall be appointed by the other two members. The chairman shall not be a national of either country. The arbitrators shall be appointed within two months and the chairman within three months of the date of receipt of either government's request for arbitration. If the foregoing time limits are not met, either government may, in the absence of any other agreement, request the president of international Court of Justice

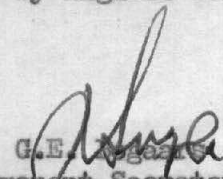
to make the necessary appointment or appointments and both governments agree to accept such appointment or appointments. The arbitral tribunal shall decide by majority vote. Its decision shall be binding and definitive. Each of the governments shall pay the expense of its member and its representation in the proceedings 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.

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

In reply, I have the honour to inform you that the Singapore Government confirm the understandings as set up in your Note and will regard that Note and this reply as constituting an agreement between the Government of the Republic of Singapore and the Government of Canada, the agreement to enter into force on the date of this reply.

Accept, Excellency, the assurances of my highest consideration.


G.E. Ngeah
Permanent Secretary
(Economic Development Division)
Ministry of Finance
Republic of Singapore.