

**AGREEMENT BETWEEN THE GOVERNMENT OF CANADA  
AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH  
CONCERNING INVESTMENT INSURANCE**

**The Government of Canada and the Government of the People's Republic of Bangladesh** (hereinafter called "Bangladesh");

Desirous of strengthening the friendly relations between them and of furthering the development of economic relations between Canada and Bangladesh, in particular through investment ;

Mindful of the benefits that insurance by the Government of Canada, through its agent the Export Development Corporation (hereinafter called the "Insuring Agency"), of Canadian investments in Bangladesh could provide;

**HAVE AGREED AS FOLLOWS:**

## **ARTICLE I**

In the event of a payment by the Insuring Agency under a contract of investment insurance for any loss by reason of :

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

the Insuring Agency shall be authorized by the Government of Bangladesh to exercise the rights having devolved on it by law or having been assigned to it by the predecessor in title.

## ARTICLE II

To the extent that the laws of Bangladesh partially or wholly invalidate the acquisition of any interests in any property within its national territory by the Insuring Agency, Bangladesh 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 Bangladesh.

### ARTICLE III

The Insuring Agency shall assert no greater rights than those of the transferring investor under the laws of Bangladesh with respect to any interest transferred or succeeded to as contemplated in Article I.

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.

## ARTICLE IV

Should the Insuring Agency acquire, under investment insurance contracts, amounts and credits of the lawful currency of the Government of Bangladesh, the Government of Bangladesh 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 Bangladesh.

## ARTICLE V

This Agreement shall apply only with respect to insured investments in projects or activities which are permitted by the Government of Bangladesh.



## ARTICLE VI

(a) 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, present 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, they 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.

(b) 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.

(c) If the foregoing time limits are not met, either Government may, in the absence of any other agreement, request the President of the International Court of Justice of make the necessary appointment or appointments and both Governments agree to accept such appointment or appointments.

(d) If the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either country, the appointment or appointments shall be made by the Vice-President, and if the latter is prevented from carrying out the said function ~~or~~ if he is a national of either country, the appointment or appointments shall be made by the next senior judge of this Court who is not a national of either country.

(e) The arbitral tribunal shall decide by a majority vote. Its decision shall be final and binding on both Governments. Each of the Governments shall pay the expenses 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.

## ARTICLE VII

(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 modification 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.

This Agreement shall enter into force upon signature by both Parties, it 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 counteracts issued by the Government of Canada, 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.



## BILINGUAL TESTIMONIAL PAGE

In witness whereof the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in duplicate at 10:00 am this 12<sup>th</sup> day of July 1990 in the English, French and Bangla languages, each language version being equally authentic.



FOR THE GOVERNMENT OF  
THE PEOPLE'S REPUBLIC OF  
BANGLADESH.



FOR THE GOVERNMENT OF CANADA