



Canada Signs International Convention on Investment Dispute Resolution

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The Honourable Peter MacKay, Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, and the Honourable David Emerson, Minister of International Trade, today announced that Canada has signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention).

“By signing the Convention, which has been adopted in 143 other countries, the Government is providing an additional tool to protect Canadian investments overseas,” said Minister MacKay.

“This is welcome news for Canadian business,” said Minister Emerson. “With Canadian foreign investment reaching record levels every year, this Convention improves predictability by applying international standards to investment protection.”

The ICSID Convention is a World Bank-sponsored instrument that aims to facilitate the free flow of international investment. The Convention provides a system for the settlement and arbitration of investment disputes between states and investors from other states that are party to the Convention. It is administered by the International Centre for Settlement of Investment Disputes and is an internationally recognized, efficient and reliable mechanism for investment dispute settlement.

Becoming a party to the Convention would not only provide additional protection to

Canadian investors, but would also reinforce Canada's investment-friendly image abroad. It also demonstrates the government's commitment to positioning Canada as a destination of choice for investors under the *Advantage Canada* plan, which was announced along with the *Economic and Fiscal Update* and focuses on improving Canada's economic prosperity and competitiveness.

"The enforcement of arbitral awards is crucial in investment dispute resolution," added the Honourable Vic Toews, Minister of Justice. "ICSID awards are recognized in 143 countries, which makes it an effective mechanism."

Michael Wilson, Canada's Ambassador to the United States, signed the Convention on behalf of the Government of Canada on December 15, 2006, at the World Bank Headquarters in Washington, D.C.

In the past year, three provinces—British Columbia, Saskatchewan and Newfoundland and Labrador—adopted legislation implementing the Convention. Nunavut and Ontario have also adopted similar legislation. The Government of Canada will continue to urge provinces and territories that have not yet done so to pass legislation implementing the Convention.

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