Arrangement between the Canadian Trade Office in Taipei and the Taipei Economic and Cultural Office in Canada for the promotion and protection of investments

The Canadian Trade Office in Taipei (CTOT) and the Taipei Economic and Cultural Office in Canada (TECO), hereinafter referred to as the "Participants",

Recognizing that the promotion and the protection of investments of investors of the territory of one Participant in the territory of the other Participant will be conducive to the stimulation of mutually beneficial business activity, to the development of economic co-operation between them, and to the promotion of sustainable development;

Reaffirming the importance of encouraging investment promotion activities and to make these activities more accessible to underrepresented groups, including by encouraging investments by women, Indigenous Peoples, and micro, small, or medium-sized enterprises;

Reaffirming the importance of promoting responsible business conduct, cultural identity and diversity, environmental protection and conservation, gender equality, the rights of Indigenous Peoples, labour rights, inclusive trade, sustainable development, and traditional knowledge;

Reaffirming the right of the authorities of the territory of each Participant to regulate within the territory of that Participant to achieve legitimate public policy objectives, such as with respect to the protection of the environment and addressing climate change; social or consumer protection; or the promotion and protection of health, safety, rights of Indigenous Peoples, gender equality, and cultural diversity,

Have come to this Arrangement:

Part A. Definitions

Article 1. Definitions

For the purpose of this Arrangement:

"algorithm" means a defined sequence of steps taken to solve a problem or obtain a result;

"authorization" means the granting of permission by a competent authority to a person with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of an investment in the territory of a Participant;

"authorization procedures" means administrative or procedural rules that must be adhered to in order to obtain, amend, or renew an authorization;

"competent authority" means:

(a) any authority of the territory of a Participant, or

(b) any person, including a publicly-owned enterprise or any other body, in the exercise of powers delegated by any authority of the territory of a Participant,

that grants an authorization;

"confidential information" means confidential business information or information that is privileged or otherwise protected from disclosure under the domestic law of the territory of a Participant;

"covered investment" means, with respect to a Participant, an investment:

(a) in the territory of the Participant;

(b) made in accordance with the applicable domestic law of the territory of the Participant at the time the investment is made;

(c) directly or indirectly owned or controlled by an investor of the territory of the other Participant; and

(d) existing on the date this Arrangement comes into effect, or made or acquired thereafter;

“enterprise” means an entity constituted or organized under applicable law, whether or not for profit, whether privately or publicly-owned, including a corporation, trust, partnership, sole proprietorship, joint venture, or other association, and a branch of any such entity;

“existing” means in effect on the date this Arrangement comes into effect;

“financial institution” means a financial intermediary or other enterprise that is located in the territory of a Participant, and that is authorized to do business and regulated or supervised as a financial institution under the law of that territory;

“financial service” means a service of a financial nature, including insurance, and a service incidental or auxiliary to a service of a financial nature;

“intellectual property rights” means copyright and related rights, trademark rights, rights in geographical indications, rights in industrial designs, patent rights, rights in layout designs of integrated circuits, rights in relation to protection of undisclosed information, and plant breeders’ rights;

“investment” means:

(a) any of the following:

(i) an enterprise,

(ii) a share, stock, or other form of equity participation in an enterprise,

(iii) a bond, debenture, or other debt instrument of an enterprise,

(iv) a loan to an enterprise,

(v) an interest in an enterprise that entitles the owner to share in income or profits of the enterprise,

(vi) an interest in an enterprise that entitles the owner to share in the assets of that enterprise on dissolution,

(vii) an interest arising from the commitment of capital or other resources in the territory of a Participant to economic activity in that territory, such as under:

(A) a contract involving the presence of an investor’s property in the territory of the Participant, including a turnkey or construction contract, or a concession, or

(B) a contract under which remuneration depends substantially on the production, revenues, or profits of an enterprise;

(viii) intellectual property rights, and

(ix) any other tangible or intangible, moveable or immovable, property and related property rights acquired in the expectation of, or used for the purpose of, economic benefit or other business purpose; and

(b) in each case involves the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk;

(c) for the purpose of this definition, “investment” does not mean:

(i) a claim to money that arises solely from:

(A) a commercial contract for the sale of a good or service by a natural person or enterprise in the territory of a Participant to an enterprise in the territory of the other Participant, or

(B) the extension of credit in connection with a commercial transaction, such as trade financing;

(ii) an order or judgment in a judicial or administrative action, or

(iii) any other claim to money that does not involve the kinds of interests set out in subparagraphs (a)(i) to (ix);

“investor of the territory of a Participant” means an authority of the territory of a Participant, a natural person of the territory of a Participant, or an enterprise of the territory of a Participant, that seeks to make, is making, or has made an investment. For the purpose of this definition, “enterprise of the territory of a Participant” means:

(a) an enterprise that is constituted or organized under the law of the territory of that Participant and that has substantial business activities in the territory of that Participant. Whether an enterprise has substantial business activities in the territory of a Participant will entail a case-by-case, fact-based analysis; or

(b) an enterprise that is constituted or organised under the law of the territory of that Participant, and is directly or indirectly owned or controlled by a natural person of that territory or by an enterprise mentioned under subparagraph (a);

“measure” includes a law, regulation, procedure, requirement, or practice;

“natural person of a territory” means:

(a) for the CTOT, a person who holds a passport of Canada or is a permanent resident of Canada; and

(b) for the TECO, a person who holds a passport of Taiwan with an identification number or is a permanent resident of Taiwan;

except that:

(c) a natural person of both territories will be deemed to be exclusively a natural person of the territory where that person has his or her dominant and effective connection; and

(d) a passport-holder of the territory of one Participant and a permanent resident of the territory of the other Participant will be deemed to be exclusively a natural person of the territory of its passport;

“person” means a natural person or an enterprise;

“publicly-owned enterprise” means an enterprise that is owned, or controlled through ownership interests, by an authority of the territory of a Participant;

“tax convention or arrangement” means a convention for the avoidance of double taxation or other international taxation agreement or arrangement.

“territory” or “territory of a Participant” means:

(a) for the CTOT:

(i) the land territory, air space, internal waters, and territorial sea of Canada,

(ii) the exclusive economic zone of Canada, and

(iii) the continental shelf of Canada,

as determined by Canada’s domestic law and consistent with international law; and

(b) for the TECO: the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu;

“third territory” means any territory other than the territory of a Participant;

“TRIPS Agreement” means the Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C of the WTO Agreement; and

“WTO Agreement” means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on April 15, 1994.

Part B. Investment Protections

Article 2. Scope

1. This Arrangement will apply to measures adopted or maintained by authorities of the territory of a Participant relating to:

(a) an investor of the territory of the other Participant;

(b) a covered investment; and

(c) with respect to Paragraph 3, Paragraph 11, and Paragraph 15, an investment in the territory of the Participant.

2. A Participant's commitments under this Arrangement will apply to measures adopted or maintained by:

(a) authorities of the territory of that Participant; and

(b) any person, including a publicly-owned enterprise or any other body, when it exercises any public authority delegated to it by an authority of the territory of that Participant.

3. This Arrangement will not apply in relation to an act or fact that took place or a situation that ceased to exist before the date when this Arrangement comes into effect.

Article 3. Non-Derogation

The Participants recognize that it would not be appropriate to encourage investment by relaxing domestic measures relating to health, safety, the environment, other regulatory objectives or the rights of Indigenous Peoples. Accordingly, within the territory of a Participant, there will be no relaxation, waiving or other derogation from, or offer to relax, waive or otherwise derogate from, such measures in order to encourage the establishment, acquisition, expansion, or management of the investments of an investor. If a Participant considers that such an encouragement has been offered in the territory of the other Participant, the Participant may request consultations with the other Participant and the two Participants will consult with a view to avoiding the encouragement.

Article 4. National Treatment

1. An investor of the territory of a Participant will be accorded treatment by an authority of the territory of the other Participant no less favourable than the treatment accorded by the authority, in like circumstances, to investors of the territory of the other Participant, with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in the territory of the other Participant.

2. A covered investment will be accorded treatment by an authority of the territory of a Participant no less favourable than the treatment accorded by the authority, in like circumstances, to investments of investors of the territory of that Participant with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in the territory of that Participant.

3. The "treatment" accorded under subparagraphs 1 and 2 means, with respect to an authority of the territory of a Participant, treatment accorded, in like circumstances, by that authority to investors, and to investments of investors, of the territory of that Participant.

4. Whether treatment is accorded in like circumstances will depend on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments on the basis of legitimate public policy objectives.

5. Subparagraphs 1 and 2 relate to discrimination based on whether the investor is of the territory of the other Participant, or whether the covered investment is an investment of an investor of the territory of the other Participant, respectively. A difference in treatment accorded to an investor or covered investment, and to the investors or investments of investors of that Participant, would not, in and of itself, establish discrimination based on these grounds.

Article 5. Most-Favoured-Nation Treatment

1. An investor of the territory of a Participant will be accorded treatment by an authority of the territory of the other Participant no less favourable than the treatment accorded by the authority, in like circumstances, to investors of a third territory with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in the territory of the other Participant.

2. A covered investment will be accorded treatment by an authority of the territory of a Participant no less favourable than the treatment accorded by the authority, in like circumstances, to investments of investors of a third territory with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in the territory of the Participant.

3. The "treatment" accorded under subparagraphs 1 and 2 means, with respect to an authority of the territory of a

Participant, treatment accorded, in like circumstances, by that authority to investors, and to investments of investors, of a third territory.

4. Whether treatment is accorded in like circumstances will depend on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments on the basis of legitimate public policy objectives.

5. Subparagraphs 1 and 2 relate to discrimination based on whether the investor is of the territory of the other Participant, or whether the covered investment is an investment of an investor of the territory of the other Participant, respectively. A difference in treatment accorded to an investor or covered investment and to investors or investments of investors of a third territory would not, in and of itself, establish discrimination based on these grounds.

6. The "treatment" referred to in subparagraphs 1 and 2 will not include procedures for the resolution of investment disputes or differences provided for in international investment treaties or arrangements and in trade agreements.

7. Substantive obligations in international investment treaties and in trade agreements, or commitments in investment arrangements, do not in themselves constitute "treatment", and thus would not be inconsistent with this Paragraph, absent measures adopted or maintained by an authority of the territory of a Participant pursuant to those obligations or commitments.

Article 6. Treatment In Case of Armed Conflict, Civil Strife, or Natural Disaster

1. Notwithstanding Paragraph 20(6)(b), an investor of the territory of the other Participant and a covered investment will be accorded treatment no less favourable than an authority of the territory of a Participant accords to its own investors or investments, or to the investors or investments of investors of a third territory, whichever is more favourable to the investors or investments concerned, with respect to measures adopted or maintained relating to restitution, indemnification, compensation, or other settlement for losses incurred by investments in the territory of a Participant as a result of armed conflict, civil strife, or a natural disaster.

2. Notwithstanding subparagraph 1, if an investor of the territory of a Participant, in a situation referred to in subparagraph 1, suffers a loss in the territory of the other Participant resulting from:

(a) requisitioning of its covered investment or part thereof by the forces or authorities of the territory of the latter Participant; or

(b) destruction of its covered investment or part thereof by the forces or authorities of the territory of the latter Participant, which was not required by the necessity of the situation;

authorities of the territory of the latter Participant will provide the investor restitution, compensation, or both, as appropriate, for that loss.

3. Subparagraph 1 will not apply to an existing subsidy or grant provided by an authority of the territory of a Participant, including an authority-supported loan, a guarantee, or insurance that would be inconsistent with Paragraph 4 but for Paragraph 20(6)(b).

Article 7. Minimum Standard of Treatment

1. A covered investment and an investor with respect to their covered investment will be accorded treatment by an authority of the territory of a Participant that corresponds to the applicable customary international law minimum standard of treatment of aliens. A measure is inconsistent with this Paragraph only if it constitutes:

(a) denial of justice in criminal, civil, or administrative proceedings;

(b) fundamental breach of due process in judicial and administrative proceedings;

(c) manifest arbitrariness; (1)

(1) A measure is manifestly arbitrary when it is evident that the measure is not rationally connected to a legitimate policy objective, such as when a measure is based on prejudice or bias rather than on reason or fact.

(d) targeted discrimination on manifestly wrongful grounds such as gender, race, or religious beliefs;

(e) abusive treatment of investors, such as physical coercion, duress, and harassment; or

(f) a failure to provide full protection and security. (2)

(2) For greater certainty, full protection and security refers only to the physical security of an investor and their covered investment.

2. The fact that another commitment in this Arrangement or in a separate arrangement has not been met, or that there has been a breach of an international agreement, will not establish that a measure is inconsistent with this Paragraph.

3. The fact that a measure breaches the domestic law of the territory of a Participant will not establish that a measure is inconsistent with this Paragraph.

Article 8. Expropriation

1. Expropriation of a covered investment either directly or indirectly by an authority of the territory of a Participant, will not be done except:

(a) for a public purpose; (3)

(3) The Participants recognize that the meaning of "public purpose" may apply differently for the purposes of an Indigenous authority.

(b) in accordance with due process of law;

(c) in a non-discriminatory manner; and

(d) on payment of compensation in accordance with subparagraph 5.

2. A direct expropriation under subparagraph 1 will occur only when a covered investment is taken by an authority of the territory of a Participant through formal transfer of title or outright seizure.

3. An indirect expropriation under subparagraph 1 may occur when a measure or a series of measures of an authority of the territory of a Participant has an effect equivalent to direct expropriation without formal transfer of title or outright seizure. A non-discriminatory measure of an authority of the territory of a Participant that is adopted and maintained in good faith to protect legitimate public welfare objectives, such as health, safety and the environment, will not constitute indirect expropriation, even if it has an effect equivalent to direct expropriation. Whether a measure or a series of measures has an effect equivalent to direct expropriation will entail a case-by-case, fact-based analysis that will consider the following:

(a) the economic impact of the measure or the series of measures of an authority of the territory of a Participant, although the sole fact that a measure or a series of measures has an adverse effect on the economic value of a covered investment will not establish that an indirect expropriation has occurred;

(b) the duration of the measure or series of measures;

(c) the extent to which the measure or the series of measures interferes with distinct, reasonable investment-backed expectations; and

(d) the character of the measure or the series of measures.

4. A measure of an authority of the territory of a Participant will not be inconsistent with this Paragraph unless it expropriates a covered investment that is a tangible or intangible property right under the domestic law of the territory in which the investment was made. Relevant factors will include the nature and scope of the tangible or intangible property right under the applicable domestic law of the territory in which the investment was made.

5. The compensation referred to in subparagraph 1 will:

(a) be paid without delay in a freely convertible currency;

(b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (date of expropriation). Appropriate valuation criteria include going concern value, asset value including the declared tax value of tangible property, and other criteria, which may be appropriate or relevant under the circumstances, to determine fair market value;

(c) not reflect any change in value occurring because the intended expropriation had become known earlier;

(d) include interest at a commercially reasonable rate for that currency from the date of the expropriation until the date of

payment; and

(e) be freely transferable.

6. A measure of an authority of the territory of a Participant that would otherwise constitute an expropriation of an intellectual property right under this Paragraph is not inconsistent with this Paragraph if it is consistent with the TRIPS Agreement and any waiver or amendment of that Agreement accepted by an authority of the territory of that Participant.

Article 9. Transfer of Funds

1. All transfers of funds relating to a covered investment will be permitted by an authority of the territory of a Participant to be made freely, and without delay, into and out of its territory. Those transfers include:

(a) contributions to capital;

(b) profits, dividends, interest, capital gains, royalty payments, management fees, and technical assistance and other fees;

(c) proceeds from the sale or liquidation of the whole or part of the covered investment;

(d) payments made under a contract entered into by the investor or the covered investment, including payments made pursuant to a loan agreement;

(e) payments made under Paragraph 6 and Paragraph 8;

(f) earnings and other remuneration of foreign personnel working in connection with a covered investment; and

(g) payments arising out of a dispute.

2. Transfers of funds relating to a covered investment will be permitted in a freely convertible currency at the market rate of exchange in effect at the time of transfer.

3. Transfers of returns in kind relating to a covered investment will be permitted as authorized or specified in a written agreement between an authority of the territory of a Participant and an investor of the territory of the other Participant or a covered investment.

4. Investors of the territory of a Participant will not be required to transfer, or be penalized for failing to transfer, the income, earnings, profits, or other amounts derived from, or attributable to, an investment in the territory of the other Participant.

5. Notwithstanding subparagraphs 1, 2, 3, and 4, a transfer may be prevented or limited through the equitable, non-discriminatory, and good faith application of the domestic law of the territory of a Participant relating to:

(a) bankruptcy, insolvency, or the protection of the rights of a creditor;

(b) issuing, trading, or dealing in securities;

(c) criminal or penal offences;

(d) financial reporting or record keeping of transfers if necessary to assist law enforcement or financial regulatory authorities;

(e) ensuring compliance with an order or judgment in judicial or administrative proceedings; or

(f) social security, public retirement, or compulsory savings programmes.

6. Notwithstanding subparagraphs 1, 2, and 4, and without limiting the applicability of subparagraph 3, transfers by a financial institution to, or for the benefit of, an affiliate of or person related to that institution, may be prevented or limited through the equitable, non-discriminatory, and good faith application of a measure relating to maintenance of the safety, soundness, integrity, or financial responsibility of financial institutions.

7. Notwithstanding subparagraph 3, transfers of returns in kind may be restricted in circumstances in which an authority of the territory of a Participant could otherwise restrict those transfers under the WTO Agreement and as set out in subparagraph 5.

Article 10. Taxation Measures

1. Except as set out in this Paragraph, this Arrangement will not apply to a taxation measure.

2. This Arrangement will not affect the rights and obligations of a party, or the benefits and commitments of a participant, under a tax convention or arrangement. In the event of any inconsistency between the dispositions of this Arrangement and any such tax convention or arrangement, the provisions or dispositions of that tax convention or arrangement will prevail to the extent of the inconsistency.

3. Subject to subparagraph 2, the dispositions of Paragraph 4 and Paragraph 5 will apply to all taxation measures, other than those on income, capital gains, or on the taxable capital of corporations, except that nothing in those Paragraphs will apply:

(a) to a non-conforming provision of an existing taxation measure;

(b) to the continuation or prompt renewal of a non-conforming provision of an existing taxation measure;

(c) to an amendment to a non-conforming provision of an existing taxation measure to the extent that the amendment does not decrease its conformity at the time of the amendment with those Paragraphs; or

(d) to a new taxation measure that is aimed at ensuring the equitable and effective imposition or collection of taxes (including, for greater certainty, a measure that is taken by an authority of the territory of a Participant to ensure compliance with the taxation system in its territory, or to prevent the avoidance or evasion of taxes) and that does not arbitrarily discriminate between persons, goods, or services of the territories of the Participants.

4. The dispositions of Paragraph 8 will apply to taxation measures.

5. Each Participant will publish and notify the other Participant of the identity and contact information of the taxation authority of the territory of the Participant.

Article 11. Performance Requirements

1. No requirement will be imposed or enforced, and no commitment or undertaking will be enforced, by an authority of the territory of a Participant in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment in that territory:

(a) to export a given level or percentage of a good or service;

(b) to achieve a given level or percentage of domestic content;

(c) to purchase, use, or accord a preference to a good produced or service provided in the territory of the Participant, or to purchase a good or service from a person in the territory of the Participant;

(d) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with that investment;

(e) to restrict sales of a good or service in the territory of the Participant that the investment produces or provides by relating those sales to the volume or value of the investment's exports or foreign exchange earnings;

(f) to transfer technology, a production process, source code of software, or other proprietary knowledge to a person in the territory of the Participant;

(g) (i) to purchase, use, or accord a preference to, in the territory of the Participant, technology of an authority or a person of the territory of the Participant, (4) or

(4) For the purposes of this Paragraph, the term "technology of an authority or a person of the territory of the Participant" includes technology that is owned by an authority of the territory of the Participant or a person of the territory the Participant, and technology for which an authority of the territory of the Participant or a person of the territory of the Participant holds an exclusive license.

(ii) that prevents the purchase or use of, or the according of a preference to, in the territory of the Participant, a technology;

(h) that prohibits or restricts the transfer of information by electronic means into or out of the territory of the Participant, if this transfer is related to the business of a covered investment or the business of an investor of the territory of a Participant; or

(i) to supply exclusively from the territory of the Participant a good that the investment produces or a service it provides to a

specific regional market or to the world market.

2. The receipt or continued receipt of an advantage, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment in the territory of a Participant, will not be conditioned by an authority of the territory of a Participant on compliance with a requirement:

(a) to achieve a given level or percentage of domestic content;

(b) to purchase, use, or accord a preference to a good produced in the territory of the Participant, or to purchase a good from a producer in the territory of the Participant;

(c) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with that investment; or

(d) to restrict sales of a good or service in the territory of the Participant that the investment produces or provides by relating those sales to the volume or value of the investment's exports or foreign exchange earnings.

3. The Participants understand that:

(a) subparagraph 2 will not prevent an authority of the territory of a Participant from conditioning the receipt or continued receipt of an advantage, in connection with any investments, on compliance with a requirement to locate production, provide a service, train or employ workers, construct or expand particular facilities, or carry out research and development in its territory;

(b) subparagraphs 1(a), 1(b), 1(c), 2(a), and 2(b) will not apply to a qualification requirement for a good or service with respect to export promotion and foreign aid programs;

(c) subparagraphs 1(b), 1(c), 1(f), 1(g), 1(h), 1(i), 2(a), and 2(b) will not apply to procurement by an authority of the territory of a Participant;

(d) subparagraphs 2(a) and 2(b) will not apply to a requirement imposed by an importing authority of the territory of a Participant relating to the content of a good necessary to qualify for a preferential tariff or preferential quota;

(e) subparagraphs 1(f) and 1(g) will not apply:

(i) if the use of an intellectual property right is authorized in accordance with Article 31 of the TRIPS Agreement (5), or to a measure requiring the disclosure of proprietary information that falls within the scope of, and is consistent with, Article 39 of the TRIPS Agreement, or

(5) The reference to "Article 31" includes any waiver or amendment to the TRIPS Agreement implementing paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2).

(ii) if the requirement is imposed or the requirement, commitment, or undertaking is enforced by a court, administrative tribunal, or competition authority to remedy an alleged violation of domestic competition law;

(f) subparagraphs 1(b), 1(c), 1(f), 1(g), 1(h), 2(a), and 2(b) will not prevent an authority of the territory of a Participant from adopting or maintaining a measure to achieve a legitimate public policy objective, provided that the measure:

(i) is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade, and

(ii) does not impose restrictions greater than are required to achieve the objective;

(g) subparagraph 1(f) will not preclude a regulatory body or judicial authority of the territory of a Participant from requiring a person of the territory of the other Participant to preserve and make available the source code of software, or an algorithm expressed in that source code, to the regulatory body for a specific investigation, inspection, examination, enforcement action, or judicial proceeding, (6) subject to safeguards against unauthorized disclosure;

(6) This disclosure will not be construed to negatively affect the software source code's status as a trade secret, if such status is claimed by the trade secret owner.

(h) subparagraphs 1(g) and 1(h) will not apply to a measure adopted or maintained by an authority of the territory of a Participant relating to a financial institution; and

(i) subparagraph 1(h) will not apply to information held or processed by or on behalf of an authority of the territory of a Participant, or a measure related to this information, including a measure related to its collection.

Article 12. Senior Management, Boards of Directors, and Entry of Personnel

1. An enterprise of the territory of a Participant that is a covered investment will not be required by an authority of the territory of that Participant to appoint to a senior management position an individual who is from a particular territory.

2. A majority of the board of directors, or a committee thereof, of an enterprise of the territory of a Participant that is a covered investment may be required by an authority of the territory of that Participant to hold a particular passport or be a resident in the territory of that Participant, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

3. Enterprises may be encouraged by an authority of the territory of a Participant to consider greater diversity in senior management positions or on boards of directors, which may include a requirement to nominate women.

4. Subject to the domestic law of the territory of a Participant relating to the entry of natural persons of other territories, temporary entry will be granted to natural persons employed by an investor of the territory of the other Participant who seek to render managerial or executive services, or services that require specialized knowledge, to a covered investment of that investor.

Article 13. Subrogation

If an authority or an agency of the territory of a Participant makes a payment to one of the investors of the territory of that Participant under a guarantee or a contract of insurance, or other form of indemnity it has entered into in respect of a covered investment:

(a) the validity of the subrogation or transfer of any benefits the investor would have possessed with respect to the covered investment but for the subrogation or transfer will be recognized by an authority of the territory where the covered investment was made; and

(b) the investor will be precluded from pursuing these benefits to the extent of the subrogation or transfer, unless authorized by an authority or an agency of the territory of a Participant to act on its behalf.

Article 14. Transparency

1. The laws, regulations, procedures, and administrative rulings of general application in the territory of a Participant, respecting a matter covered by this Arrangement, will be promptly published or otherwise made available by an authority of the territory of that Participant in such a manner as to enable interested persons and authorities of the territory of the other Participant to become acquainted with them.

2. To the extent possible:

(a) any measure referred to in subparagraph 1 that an authority of the territory of a Participant proposes to adopt will be published in advance;

(b) interested persons and authorities of the territory of the other Participant will be provided a reasonable opportunity to comment on that proposed measure; and

(c) reasonable time will be allowed between publication of the measure referred to in subparagraph 1 and the date on which investors of the territory of a Participant must comply with the measure.

3. The laws, regulations, procedures, and administrative rulings of the territory of a Participant with regards to the rights of Indigenous Peoples, including any applicable consultation process, will be made available by an authority of the territory of that Participant in such a manner as to enable an interested person to duly comply with the domestic laws of the territory of that Participant.

4. Appropriate mechanisms for responding to enquiries from interested persons regarding the measures referred to in subparagraphs 1 and 3 will be maintained or established by an authority of the territory of a Participant.

5. On request by an authority of the territory of a Participant, information and responses to questions pertaining to a proposed or actual measure that the requesting authority considers affects or may affect an investment will be promptly provided by an authority of the territory of the other Participant. Such requests or information may be conveyed through

contact points designated pursuant to subparagraph 6.

6. Each Participant will designate a contact point to facilitate communications between the Participants on any matter covered by this Arrangement. Each Participant will notify the other Participant in writing of its designated contact point no later than 60 days after the date when this Arrangement comes into effect. Each Participant will promptly notify the other Participant in the event of any change to its contact point.

Article 15. Responsible Business Conduct

1. The Participants reaffirm that investors and their investments will comply with domestic laws and regulations of the territory within which the investment is made, including laws and regulations on human rights, the rights of Indigenous Peoples, gender equality, environmental protection, and labour.

2. Each Participant reaffirms the importance of internationally recognized standards, guidelines, and principles of responsible business conduct that have been endorsed or are supported by the authorities of the territory of that Participant, including the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. Investors and enterprises operating within the territory of a Participant or subject to the jurisdiction of the authorities of the territory of a Participant will be encouraged to voluntarily incorporate these standards, guidelines, and principles into their business practices and internal policies. These standards, guidelines, and principles address areas such as labour, environment, gender equality, human rights, community relations, and anti-corruption.

3. Investors or enterprises operating within the territory of a Participant will be encouraged by an authority of the territory of that Participant to undertake and maintain meaningful engagement and dialogue, in accordance with international responsible business conduct standards, guidelines, and principles that have been endorsed or are supported by the authorities of the territory of that Participant, with Indigenous Peoples and local communities.

4. The Participants reaffirm the importance of cooperating on and facilitating joint initiatives to promote responsible business conduct.

Article 16. Denial of Benefits

The benefits of this Arrangement may be denied by an authority of the territory of a Participant to an investor of the territory of the other Participant that is an enterprise of the territory of the latter Participant and to investments of that investor if:

(a) an investor of a third territory owns or controls the enterprise; and

(b) the denying authority of the territory of the Participant adopts or maintains a measure with respect to the third territory or investors of the third territory that:

(i) relates to the maintenance of international peace and security, and

(ii) prohibits transactions with the enterprise or would be violated or circumvented if the benefits of this Arrangement were accorded to the enterprise or to its investments.

Part C. Investment Promotion and Facilitation

Article 17. Promotion of Investment

The creation of favourable conditions for investment in the territory of a Participant by investors of the territory of the other Participant will be encouraged by an authority of the territory of the former Participant and those investments will be admitted in accordance with this Arrangement.

Article 18. Processing of Applications for an Authorization

1. Authorization procedures adopted or maintained in the territory of a Participant will not unduly complicate or delay the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of an investment in the territory of that Participant.

2. A competent authority of the territory of a Participant will:

(a) accept applications for an authorization in electronic format under similar conditions of authenticity as paper submissions; and

(b) accept authenticated copies, if considered appropriate, in place of original documents.

3. At the request of an applicant, a competent authority of the territory of a Participant will provide, without undue delay, information concerning the status of the application for an authorization.

4. If a competent authority of the territory of a Participant considers an application for an authorization to be incomplete, the competent authority will, within a reasonable period of time, inform the applicant for an authorization, identify the additional information required to complete the application for an authorization, and provide the applicant for an authorization an opportunity to correct deficiencies.

5. The processing of an application for an authorization, including reaching a final decision, will be completed within a reasonable timeframe from the submission of a complete application for an authorization.

6. An authorization, once granted, will enter into effect without undue delay, in accordance with the terms and conditions specified therein.

7. If a competent authority of the territory of a Participant rejects an application for an authorization, the applicant will be:

(a) informed in writing and without undue delay;

(b) informed, upon request, of the reasons the application for an authorization was rejected and of the timeframe for an appeal or review against the decision; and

(c) permitted to resubmit an application for an authorization.

Article 19. Fees and Charges

1. A fee that a competent authority of the territory of a Participant imposes on an applicant in relation to its application for an authorization will be reasonable and commensurate with the costs incurred to process the application, and will not in itself restrict the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of an investment in the territory of the Participant.

2. Authorization fees do not include payments for auction, the use of natural resources, royalties, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to provide a universal service.

3. This Paragraph will not apply to a measure adopted or maintained in relation to a financial institution.

Part D. Reservations, Exceptions, Exclusions

Article 20. Non-Conforming Measures

1. Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, and Part C (Investment Promotion and Facilitation) will not apply to:

(a) any existing non-conforming measure maintained in the territory of a Participant;

(b) any measure adopted or maintained after the date of coming into effect of this Arrangement that, at the time of sale or other disposition of an authority's equity interests in, or the assets of, an existing publicly-owned enterprise or an existing entity of the authority:

(i) prohibits or imposes limitations on the ownership or control of equity interests or assets, or

(ii) requires senior management or members of the board of directors to be of a particular territory;

(c) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a) or (b); or

(d) an amendment to any non-conforming measure referred to in subparagraph (a) or (b) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, and Part C (Investment Promotion and Facilitation).

2. Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, and Part C (Investment Promotion and Facilitation) will not apply

to a measure that an authority of the territory of a Participant adopts or maintains with respect to sectors, subsectors, or activities, as set out in its schedule to Annex I.

3. No investor of the territory of the other Participant will be required, under any measure adopted after the date of coming into effect of this Arrangement and covered by its schedule to Annex I, by reason that the investor is a natural person of a specific territory, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.

4. Paragraph 5 will not apply to treatment accorded pursuant to agreements or arrangements set out in Annex II.

5. In respect of intellectual property rights, an authority of the territory of a Participant may derogate from Paragraph 4, Paragraph 5, and Paragraph 11 in a manner that is consistent with:

(a) the TRIPS Agreement;

(b) an amendment to the TRIPS Agreement in force for the territories of both Participants; and

(c) a waiver to the TRIPS Agreement granted pursuant to Article IX of the WTO Agreement.

6. Paragraph 4, Paragraph 5, and Paragraph 12 will not apply to:

(a) procurement by an authority of the territory of a Participant; or

(b) a subsidy or grant provided by an authority of the territory of a Participant, including an authority-supported loan, a guarantee, or insurance.

Article 21. General Exceptions

1. This Arrangement will not apply to a measure that an authority of the territory of the CTOT adopts or maintains as necessary to fulfill Aboriginal or treaty rights as recognized and affirmed by section 35 of the Constitution Act, 1982, including land claims agreements, and those rights set out in self-government agreements between the federal, provincial, or territorial authorities of the territory of the CTOT and Aboriginal peoples.

2. Notwithstanding the other dispositions of this Arrangement, this Arrangement will not apply to measures that the authorities in the territory of a Participant adopt or maintain for prudential reasons, (7) including for the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed by a financial institution, or to ensure the integrity and stability of the financial system. If the measure does not conform with the dispositions of this Arrangement to which this exception applies, the measure will not be used as a means of avoiding the Participant's commitments under those dispositions.

(7) The Participants understand that the term "prudential reasons" includes the maintenance of the safety, soundness, integrity, or financial responsibility of individual financial institutions as well as the safety, and financial and operational integrity of payment and clearing systems.

3. This Arrangement will not apply to non-discriminatory measures of general application taken by a central bank or monetary authority of the territory of a Participant, or a financial institution that is owned or controlled by an authority of the territory of a Participant, in pursuit of monetary and related credit or exchange rate policies. This subparagraph will not affect a Participant's commitments under Paragraph 9 or Paragraph 11.

4. This Arrangement will not:

(a) require an authority of the territory of a Participant to furnish or allow access to information if an authority of the territory of that Participant determines that the disclosure of this information would be contrary to the essential security interests of the territory of that Participant;

(b) prevent an authority of the territory of a Participant from taking an action that it considers necessary to protect the essential security interests of the territory of the Participant:

(i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services, and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment,

(ii) taken in time of war or other emergency in international relations, or

(iii) relating to the implementation of domestic policies or international agreements respecting the non-proliferation of

nuclear weapons or other nuclear explosive devices; or

(c) prevent an authority of the territory of a Participant from fulfilling any obligations as applicable to it for the maintenance of international peace and security, under the United Nations Charter as applicable to a territory.

5. This Arrangement will not require an authority of the territory of a Participant to furnish or allow access to information, the disclosure of which would be contrary to the law of the territory of that Participant, or would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private.

6. This Arrangement will not apply to a measure adopted or maintained by an authority of the territory of a Participant with respect to a person engaged in a cultural industry. “Person engaged in a cultural industry” means a person engaged in the following activities:

(a) the publication, distribution or sale of books, magazines, periodicals, or newspapers in print or machine-readable form, except when printing or typesetting any of the foregoing is the only activity;

(b) the production, distribution, sale, or exhibition of film or video recordings;

(c) the production, distribution, sale, or exhibition of audio or video music recordings;

(d) the publication, distribution, or sale of music in print or machine-readable form; or

(e) radio communications in which the transmissions are intended for direct reception by the general public, and all radio, television, or cable broadcasting undertakings and all satellite programming and broadcast network services.

7. If a benefit or commitment in this Arrangement duplicates the substance of a right or obligation under the WTO Agreement, a measure adopted or maintained by an authority of the territory of a Participant in conformity with a waiver decision granted by the WTO pursuant to Article IX of the WTO Agreement will be deemed to be also consistent with the present Arrangement.

Article 22. Exclusions

1. Part E (Differences between an Investor and a Participant) and Part F (Consultations between the Participants) of this Arrangement will not apply to a measure adopted or maintained relating to a review under the Investment Canada Act, R.S.C. 1985, c. 28, as amended, with respect to whether or not to permit an investment that is subject to review.

2. Part E (Differences between an Investor and a Participant) and Part F (Consultations between the Participants) of this Arrangement will not apply to a tobacco control measure adopted or maintained by an authority of the territory of a Participant. A “tobacco control measure” means a measure of an authority of the territory of a Participant related to the production or consumption of manufactured tobacco products (including products made or derived from tobacco), their distribution, labelling, packaging, advertising, marketing, promotion, sale, purchase, or use, as well as enforcement measures, such as inspection, recordkeeping, and reporting requirements. A measure with respect to tobacco leaf that is not in the possession of a manufacturer of tobacco products, or that is not part of a manufactured tobacco product, is not a tobacco control measure.

3. Part E (Differences between an Investor and a Participant) and Part F (Consultations between the Participants) of this Arrangement will not apply to a measure adopted or maintained relating to a review under the Statute for Investment by Foreign Nationals (1997), as amended, with respect to whether or not to permit an investment that is subject to review.

Part E. Differences between an Investor and a Participant

Article 23. Scope and Purpose

Without prejudice to Part F (Consultations between the Participants), an investor of the territory of a Participant may notify the other Participant of a difference of application regarding a commitment under Part B (Investment Protections), other than Paragraph 3, Paragraph 11, Paragraph 12(3), Paragraph 12(4), Paragraph 14, or Paragraph 15.

Article 24. Request for Consultations

1. In the event that an investor of the territory of a Participant considers that a measure of an authority of the territory of the other Participant is inconsistent with the dispositions of this Arrangement, that investor will seek to resolve the difference through consultations, which may include the use of non-binding, third party procedures, such as good offices, conciliation, or mediation.

2. The investor will deliver to that Participant a written request for consultations, which will specify:

(a) the name and address of the investor and material to establish that the investor is an investor of the territory of the other Participant;

(b) the investment at issue and material to establish that the investor owns or controls the investment, including, if the investment is an enterprise, the name, address, and place of incorporation of the enterprise;

(c) for each difference of application of this Arrangement:

(i) the disposition of this Arrangement with which a measure is alleged to be inconsistent, and

(ii) the factual basis for the alleged inconsistency, including the measure at issue; and

(d) the outcome sought.

3. The investor may, when submitting a request for consultations, propose to hold the consultations by videoconference, telephone, or similar means of communication as appropriate. The other Participant will give sympathetic consideration to that request, in particular if the investor is a micro, small, or medium-sized enterprise.

4. Unless the investor and the Participant decide otherwise, consultations will be held within 90 days of the delivery of the request for consultations pursuant to subparagraph 2.

5. Unless the investor and the Participant decide otherwise, the place of consultations will be Ottawa, if the Participant is the CTOT, or Taipei, if the Participant is the TECO.

Article 25. Mediation

The investor and the Participant referred to in Paragraph 24(1) may at any time decide to have recourse to mediation. Recourse to mediation will be without prejudice to the positions of the investor and the Participant and will be governed by the rules decided by the investor and the Participant, including the appointment of the mediator.

Article 26. Request to Consent to Arbitration

1. If consultations under Paragraph 24 fail to resolve the difference of application of certain dispositions of this Arrangement, an investor of the territory of a Participant may file a notice of claim with an authority of the territory of the other Participant requesting an authority of the territory of that Participant to consent to submit the difference to arbitration. Annex III (Model Arbitration Agreement) contains a model arbitration agreement that an authority of the territory of a Participant may, in the future, choose to enter with an investor of the territory of the other Participant in order to resolve such a difference.

2. Each Participant will promptly make publicly available, and notify the other Participant, the location for delivery of notice and other documents, including any subsequent change to the location for delivery.

3. If a dispute settlement mechanism, consisting of a first instance investment tribunal or an appellate mechanism, is developed under other institutional arrangements and is open to the authorities of the territories of the Participants for acceptance, the investor and the authorities of the territory of the other Participant may consider whether to submit the difference to that dispute settlement mechanism pursuant to its rules.

4. A Participant may request to review and amend the Arbitrator Code of Conduct for Investment Dispute Settlement contained in Annex III (Model Arbitration Agreement) in order to take into account, as appropriate, relevant developments in that area.

Part F. Consultations between the Participants

Article 27. Consultations between the Participants

The Participants will, whenever possible, settle amicably through consultations any difference of interpretation or

application of this Arrangement. A Participant may request consultations on the interpretation or application of this Arrangement by delivering a notice to the other Participant. Unless the Participants decide on a longer period, the Participants will, within 15 days of the notice, meet to consider the matter with a view to reaching a mutually satisfactory resolution. During those consultations, each Participant will endeavour to provide sufficient information to enable a full examination of the matter, while maintaining the confidentiality of the information provided by the other Participant in the course of consultations.

Part G. Administration of the Arrangement

Article 28. Discussions and other Actions

1. A Participant may request in writing discussions with the other Participant regarding an actual or proposed measure or any other matter that it considers might affect the operation of this Arrangement, including its implementation, interpretation, or application.

2. Further to discussions under this Paragraph, the Participants may take action as they may decide, including on the proper interpretation of this Arrangement. If concerns arise as regards matters of interpretation of this Arrangement, the Participants may come to a joint interpretation of this Arrangement.

Article 29. Extent of Commitments

All necessary measures will be taken to give effect to this Arrangement, including by the authorities of the territory of the Participants, except as otherwise provided in this Arrangement.

Article 30. Application and Coming Into Effect

1. Each Participant will notify the other Participant, in writing, upon completion of the internal procedures required for this Arrangement to come into effect. This Arrangement will come into effect the day following the date of the last notification.

2. The Participants may amend this Arrangement upon mutual consent in writing, specifying the starting date of amendments. Any amendment may be attached to this Arrangement as an annex.

3. A Participant may terminate this Arrangement by giving written notice of at least one year to the other Participant. In respect of investments or commitments to invest made prior to the date of termination of this Arrangement, each Participant will continue to apply subparagraph 1, as well as Paragraphs 1 through 29 of this Arrangement, for 15 years after the date on which this Arrangement ceases to be in effect.

Signed in duplicate at Taipei on this 22nd day of December 2023, in the English, French, and Chinese languages, each version being equally valid.

FOR THE CANADIAN TRADE OFFICE IN TAIPEI

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FOR THE TAIPEI ECONOMIC AND CULTURAL OFFICE IN CANADA

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Part H. Annexes

Annex I. Reservations for Future Measures

1. In accordance with Paragraph 20, an authority of the territory of the CTOT may adopt or maintain any measure that does not conform with the commitments in this Arrangement that are set out below with respect to the following sectors or matters:

(a) social services (that is: public law enforcement; correctional services, income security, or insurance; social security or

insurance; social welfare; public education; public training; and health and child care), if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 5, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(b) the rights or preferences provided to Aboriginal peoples, including those recognized and affirmed by section 35 of the Constitution Act, 1982 or those set out in self-government agreements between the authorities at the federal, provincial, or territorial level of the territory of the CTOT and Indigenous Peoples (8), if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(8) For greater clarity, Indigenous Peoples in the territory of the CTOT are the First Nations, Inuit, and the Métis peoples.

(c) the rights or preferences provided to socially or economically disadvantaged minorities, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(d) residency requirements for ownership of oceanfront land, if the measure does not conform with the commitments provided in Paragraph 4 of this Arrangement;

(e) securities issued by authorities (that is acquisition, sale, or other disposition by natural persons of the territory of other Participant of bonds, treasury bills, or other kinds of debt securities issued by an authority of the territory of the CTOT), if the measure does not conform with the commitments provided in Paragraph 4 of this Arrangement;

(f) maritime cabotage, which means:

(i) the transportation of either goods or passengers by ship between points in the territory of the CTOT or above the continental shelf of Canada, either directly or by way of a place outside the territory of the CTOT; but, with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation, or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and

(ii) the engaging by ship in any other marine activity of a commercial nature in the territory of the CTOT and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation, or transportation of the mineral or non-living natural resources of the continental shelf of Canada;

if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 5, Paragraph 11, or Paragraph 12 of this Arrangement;

(g) licensing or otherwise authorizing fishing or fishing-related activities, including entry of foreign fishing vessels to the exclusive economic zone, territorial sea, internal waters, or ports of the territory of the CTOT, and use of any services therein, if the measure does not conform with the commitments provided in Paragraph 4 or Paragraph 5 of this Arrangement;

(h) the establishment or acquisition in the territory of the CTOT of an investment in the services sector, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, or Paragraph 12 of this Arrangement, provided that the measure is consistent with Canada's obligations under Articles II, XVI, XVII, and XVIII of the WTO General Agreement on Trade in Services; and

(i) granting advantages to the Canada Mortgage and Housing Corporation, Canada Housing Trust, and any new, reorganized, or transferee entities having similar functions and objectives with respect to housing finance, if the measure does not conform with the commitments provided in Paragraph 4 of this Arrangement.

2. In accordance with Paragraph 20, an authority of the territory of the TECO may adopt or maintain any measure that does not conform with the commitments in this Arrangement that are set out below with respect to the following sectors or matters:

(a) the provision of law enforcement and correctional services, and the following services to the extent they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, child care, or public sewage services, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(b) the rights or preferences granted to Indigenous Peoples of the territory of the TECO (9), including those recognized and affirmed by the Indigenous Peoples Basic Law(2005), as amended, if the measure does not conform with the commitments

provided in Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(9) For greater clarity, Indigenous Peoples of the territory of the TECO refer to the traditional peoples as defined under Article 2 of the Indigenous Peoples Basic Law (2005), as amended.

(c) the operation of games of luck and chance, and of activities involving bets including but not limited to the issuance and operation of lottery, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(d) broadcasting services in the territory of the TECO, international broadcasting services originating from the territory of the TECO, and the allocation of spectrum in relation to broadcasting services, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 5, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(e) the rights or preferences granted to minorities with social or economic disadvantages, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, or Part C (Investment Promotion and Facilitation) of this Arrangement;

(f) the establishment or acquisition in the territory of the TECO of an investment in the services sector, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, or Paragraph 12 of this Arrangement, provided that the measure is consistent with obligations of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu under Articles II, XVI, XVII, and XVIII of the WTO General Agreement on Trade in Services;

(g) licensing or otherwise authorizing fishing or fishing-related activities, including entry of foreign fishing vessels to the exclusive economic zone, territorial sea, internal waters, or ports of the territory of the TECO, and use of any services therein, if the measure does not conform with the commitments provided in Paragraph 4 or Paragraph 5 of this Arrangement; and

(h) museum services, if the measure does not conform with the commitments provided in Paragraph 4, Paragraph 11, Paragraph 12, or Part C (Investment Promotion and Facilitation) of this Arrangement.

Annex II. Exceptions from Most-Favoured-Nation Treatment

1. Paragraph 5 will not apply to treatment accorded by an authority of the territory of a Participant under an international agreement in force or investment arrangement in effect, or signed prior to the coming into effect of this Arrangement.

2. Paragraph 5 will not apply to treatment accorded by an authority of the territory of a Participant under an existing or future international agreement or arrangement:

(a) establishing, strengthening or expanding a free trade area or customs union; or

(b) relating to:

(i) aviation;

(ii) fisheries; or

(iii) maritime matters, including salvage.

Annex III. Model Arbitration Agreement

IN THE MATTER OF AN ARBITRATION

-between-

[Investor of the territory of a Participant]

(the “Claimant”)

-and-

[Authority of the territory of the other Participant]

(the “Respondent” and together with the Claimant, the “Disputing Parties”)

ARBITRATION AGREEMENT

[Date]

WHEREAS:

A. The Arrangement Between the Canadian Trade Office in Taipei and the Taipei Economic and Cultural Office in Canada for the Promotion and Protection of Investments (the “Arrangement”) contains certain dispositions regarding investment protection for covered investors and covered investments of investors;

B. A difference has arisen between the Claimant and the Respondent with respect to a measure that the Claimant maintains is within the scope of Paragraph 2 of the Arrangement, and consultations between the Disputing Parties pursuant to Paragraph 24 of the Arrangement have not resolved the difference (the “Investment Dispute”);

C. The Claimant and the Respondent wish to resolve the Investment Dispute through binding arbitration, and they have agreed to do so in accordance with the terms of this Arbitration Agreement (the “Agreement”);

D. Now, therefore, with consideration duly acknowledged, the Disputing Parties agree as follows:

Section A: Definitions

Article 1: Definitions

1. For the purpose of this Agreement:

“appointing authority” means the Secretary General of the Permanent Court of Arbitration or any person as agreed by the Disputing Parties;

“Disputing Party” means either the Claimant or the Respondent;

“New York Convention” means the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done at New York on June 10, 1958;

“non-disputing Participant” means the Participant to the Arrangement that is not of the territory of the Respondent under this Agreement;

“third-party funding” means any funding or other equivalent support provided by a person who is not a Disputing Party in order to finance part or all of the cost of the proceedings including through a donation or grant, or in return for remuneration dependent on the outcome of the Investment Dispute;

“Tribunal” means the arbitration tribunal established under this Agreement;

“UNCITRAL Arbitration Rules” means the arbitration rules of the United Nations Commission on International Trade Law, in their most recent form; and

“UNCITRAL Transparency Rules” means the UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration, in their most recent form.

2. All other terms in this Agreement that are defined terms in the Arrangement have the meaning set out in Paragraph 1 of the Arrangement.

Section B: Objective and Relation with the Arrangement

Article 2: Objective

This Agreement establishes a procedural mechanism for the resolution of the Investment Dispute by arbitration.

Article 3: Relation with the Arrangement

1. The Disputing Parties have agreed to incorporate Part A (Definitions), Part B (Investment Protections), Part D (Reservations, Exceptions, Exclusions), Part E (Differences between an Investor and a Participant), Annex I (Reservations for Future Measures), and Annex II (Exceptions from Most-Favoured-Nation Treatment) of the Arrangement into this Agreement as binding rules of law under this Agreement.

2. This Agreement does not modify the Arrangement and has no bearing upon its interpretation. This Agreement extends

only to the Investment Dispute between the Disputing Parties. Nothing in this Agreement is intended to have, nor shall it have, the effect of creating any substantive rights or obligations under the Arrangement.

3. Any determination by the Tribunal of a breach concerns the investment protections of the Arrangement as incorporated into this Agreement, rather than of the Arrangement itself.

Article 4: Denial of Benefits

The Respondent may, within a reasonable time and no later than its principal submission on the merits, such as the counter-memorial, in an arbitration under this Agreement, deny the benefits of this Agreement to the Claimant if the Claimant fits within the conditions set out in Paragraph 16 of the Arrangement.

Section C: Claimant-Respondent Investment Dispute Settlement

Article 5: Scope and Purpose

1. The Disputing Parties establish in this Section a mechanism for the settlement of the Investment Dispute.

2. Under this Section, the Disputing Parties authorize the Tribunal to determine if the measure of the Respondent challenged by the Claimant is consistent with the investment protections under Part B (Investment Protections) of the Arrangement, as incorporated into this Agreement, other than Paragraph 3, Paragraph 11, Paragraph 12(3), Paragraph 12(4), Paragraph 14, or Paragraph 15 of the Arrangement.

Article 6: Taxation Measures

1. Provided that the conditions in paragraph 2 of this Article are met, a claim by an investor that a taxation measure of the Respondent is in breach of an agreement between [the federal government of Canada / Taiwan] and the investor concerning an investment shall be considered a claim for breach of the investment protections of the Arrangement as incorporated into this Agreement for resolution under this Agreement.

2. The Claimant may not make a claim under paragraph 1 of this Article or Paragraph 10(4) of the Arrangement unless:

(a) the Claimant provides a copy of the notice of claim to the taxation authorities of the territory of each Participant, in which case, the taxation authority of the territory of a Participant may submit in writing a request to the taxation authority of the territory of the other Participant for a joint determination that, in the case of paragraph 1 of this Article, the measure does not contravene an agreement between [Taiwan / the federal government of Canada] and the Claimant concerning an investment, or, in the case of Paragraph 10(4) of the Arrangement, the measure in question is not an expropriation; and

(b) six months after receiving notification of the claim by the Claimant, the taxation authorities of the territories of the Participants fail to reach a joint determination that, in the case of paragraph 1 of this Article, the measure does not contravene an agreement between [the federal government of Canada / Taiwan] and the Claimant concerning an investment, or in the case of Paragraph 10(4) of the Arrangement, the measure in question is not an expropriation.

Article 7: Mediation

The Disputing Parties may at any time decide to have recourse to mediation pursuant to Paragraph 25 of the Arrangement. If the investor and the Participant decide to have recourse to mediation, Article 8 of this Agreement will be suspended from the date on which the investor and the Participant decided to have recourse to mediation, and will resume on the date on which either the investor or the Participant decides to end the mediation. A decision by the investor or the Participant to end the mediation will be transmitted by way of letter to the mediator and the other side to the mediation.

Article 8: Limitation Period

1. The Claimant must have submitted a claim under Article 9 of this Agreement no later than:

(a) three years from the date on which the Claimant or, as applicable, the enterprise referred to in Article 9(2), first acquired or should have first acquired knowledge of the alleged breach and knowledge that the Claimant or, as applicable, the enterprise, has incurred loss or damage by reason of, or arising out of, that breach; or

(b) if the Claimant or, as applicable, the enterprise, has initiated a claim or proceeding before an administrative tribunal or court under the law of the Respondent with respect to the measure at issue in the Claimant's claim under Article 9, two years after:

(i) the Claimant or, as applicable, the enterprise, ceases to pursue that claim; or

(ii) when that proceeding has otherwise ended;

provided that it is no later than seven years after the date on which the Claimant or, as applicable, the enterprise, first acquired or should have first acquired knowledge of the alleged breach and knowledge that the Claimant or, as applicable, the enterprise, has incurred loss or damage by reason of, or arising out of, that breach.

Neither a continuing breach nor the occurrence of similar or related acts or omissions will renew or interrupt the periods set out in subparagraphs (a) and (b).

2. If the Claimant has not submitted a claim under Article 9 of this Agreement within one year of the delivery of the request for consultations under Paragraph 24 of the Arrangement, the Claimant is deemed to have withdrawn its request for consultations and cannot advance a claim under this Section with respect to the same measure. This period may be extended by agreement between the Claimant and the Respondent.

3. Following the Claimant's submission of a claim under Article 9 of this Agreement, the length of time the Disputing Parties took to negotiate the terms of this Agreement shall not affect the Tribunal's determination of whether the Claimant satisfied the time requirements in paragraphs 1 and 2 of this Article.

Article 9: Submission of a Claim to Arbitration

1. The Claimant may submit a claim that the Respondent has adopted or maintained a measure that breaches certain investment protections of the Arrangement as incorporated into this Agreement in accordance with Article 5 of this Agreement, and that the Claimant as an investor of the territory of a Participant has incurred loss or damage by reason of, or arising out of, that breach, requesting the Respondent to consent to submit the Investment Dispute to arbitration, only if:

(a) the Claimant has fulfilled the requirements of Paragraph 24 of the Arrangement as incorporated into this Agreement;

(b) 180 days have elapsed since the receipt by the Respondent of a request for consultations under Paragraph 24 of the Arrangement;

(c) the claim relates to measures identified in the Claimant's request for consultations under Paragraph 24 of the Arrangement;

(d) the Claimant consents to dispute settlement in accordance with the procedures set out in this Agreement; and

(e) the Claimant and, if the claim is for loss or damage to an interest in an enterprise of the territory of the Respondent that is a juridical person that the Claimant owns or controls directly or indirectly, the enterprise, waives its right to initiate or continue before any administrative tribunal or court under domestic law, or other dispute settlement procedure, any proceeding with respect to the measure of the Respondent referred to in Paragraph 24(2) of the Arrangement that is alleged to be a breach of certain investment protections of the Arrangement as incorporated into this Agreement, except for a proceeding for injunctive, declaratory, or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the Respondent.

2. The Claimant as an investor of the territory of a Participant on behalf of an enterprise of the territory of the Respondent that is a juridical person that the Claimant owns or controls directly or indirectly, may make a claim that the Respondent has adopted or maintained a measure that breaches certain investment protections of the Arrangement as incorporated into this Agreement in accordance with Article 5 of this Agreement, and that the enterprise has incurred loss or damage by reason of, or arising out of, that breach, only if:

(a) the Claimant has fulfilled the requirements of Paragraph 24 of the Arrangement as incorporated into this Agreement;

(b) 180 days have elapsed since the receipt by the Respondent of a request for consultations under Paragraph 24 of the Arrangement;

(c) the claim relates to measures identified in the Claimant's request for consultations under Paragraph 24 of the Arrangement;

(d) the Claimant consents to dispute settlement in accordance with the procedures set out in this Agreement; and

(e) both the Claimant and the enterprise waive their right to initiate or continue before an administrative tribunal or court under domestic law, or other dispute settlement procedure, any proceeding with respect to the measure of the Respondent referred to in Paragraph 24(2) of the Arrangement that is alleged to be a breach of certain investment protections of the Arrangement as incorporated into this Agreement, except for a proceeding for injunctive, declaratory, or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the Respondent.

3. A consent and waiver required by this Article shall be in writing, shall be delivered to the Respondent, and shall be included in the submission of a claim to arbitration.

4. Notwithstanding paragraph 3 of this Article, a waiver from the enterprise under paragraph 1(e) or 2(e) of this Article is not required if the Respondent has deprived the Claimant of control of the enterprise.

5. If the Claimant makes a claim under paragraph 2 of this Article and the Claimant or a non-controlling investor in the enterprise makes a claim under paragraph 1 arising out of the same events or circumstances, and two or more of the claims are submitted to dispute settlement under this Article, the claims should be heard together by a Tribunal constituted under Article 15 of this Agreement, unless the Tribunal finds that the interests of a Disputing Party would be prejudiced thereby.

6. The Claimant may submit a claim to dispute settlement under:

(a) the UNCITRAL Arbitration Rules; or

(b) any other rules on agreement of the Disputing Parties.

7. Except to the extent modified by this Agreement, the arbitration shall be governed by the most recent version of the arbitration rules applicable under paragraph 6 of this Article that are in effect on the date that the claim is submitted to dispute settlement under this Article.

8. If the Claimant proposes rules pursuant to paragraph 6(b) of this Article, the Respondent shall reply to the Claimant's proposal within 45 days of receipt of the proposal. If the Disputing Parties have not agreed on those rules within 60 days of receipt, the Claimant may submit a claim under the UNCITRAL Arbitration Rules.

9. The Claimant may, when submitting a claim under this Article, propose that a sole member of a Tribunal should hear the claim. The Respondent may give sympathetic consideration to that request, in particular if the Claimant is a micro, small, or medium-sized enterprise or the compensation or damages claimed are relatively low.

10. A claim is submitted to arbitration under this Article when the notice of arbitration under the applicable arbitration rules is received by the Respondent.

Article 10: Consent to Arbitration

1. The Respondent consents to resolving the Investment Dispute through arbitration upon signing this Agreement together with the Claimant and in accordance with the provisions of this Agreement, including the requirements of Article 8 and Article 9.

2. The submission of the Investment Dispute to arbitration is without prejudice to the Respondent's right to object to the Tribunal's competence over the Claimant's claims. Thus, despite entering this Agreement, the Respondent reserves the right to challenge the Tribunal's jurisdiction, and the admissibility of the Claimant's claims, in accordance with Article 14 of this Agreement, where the Claimant fails to submit the claim in accordance with the provisions of this Agreement.

Article 11: Discontinuance

If the Claimant fails to take a step in the proceeding within 180 days of the submission of a claim to arbitration under Article 9 of this Agreement, or such other time period as agreed to by the Disputing Parties, the Claimant is deemed to have withdrawn its claim and to have discontinued the proceeding. The Tribunal, if constituted, shall, at the request of the Respondent, and after notice to the Disputing Parties, in an order take note of the discontinuance. After the order has been rendered, the authority of the Tribunal shall cease.

Article 12: Arbitrators

1. Except in respect of a Tribunal established under Article 15 of this Agreement, and unless the Disputing Parties agree otherwise, the Tribunal shall be composed of three arbitrators. Each Disputing Party shall appoint one arbitrator, and the third arbitrator, who will be the presiding arbitrator, shall be appointed by agreement of, or pursuant to an appointment process agreed to by, the Disputing Parties. The Disputing Parties are encouraged to consider greater diversity in arbitrator appointments, including through the appointment of women.

2. Arbitrators should have expertise or experience in public international law, international investment law, or international trade law, or dispute resolution arising under international investment or international trade agreements.

3. Arbitrators shall be independent of, and not be affiliated with or take instructions from, the authorities of the territories of the Participants or the Claimant.

4. If the Disputing Parties do not agree on the remuneration of the arbitrators before the Tribunal is constituted, they shall apply the prevailing ICSID rate for arbitrators.

5. If a Tribunal, other than a Tribunal established under Article 15 of this Agreement, has not been constituted within 90 days of the submission of a claim to arbitration, a Disputing Party may ask the appointing authority to appoint the arbitrator or arbitrators not yet appointed. In accordance with this Article, the appointing authority shall make the appointment at his or her own discretion and, to the extent practicable, shall make this appointment in consultation with the Disputing Parties. The appointing authority shall not appoint as presiding arbitrator a natural person of the territory of a Participant to the Arrangement.

6. Arbitrators shall abide by the Arbitrator Code of Conduct for Investment Dispute Settlement appended to this Agreement (the "Code of Conduct").

Article 13: Interpretation, Domestic Law, Burden

1. An interpretation of the Arrangement come to jointly by the Taipei Economic and Cultural Office in Canada and the Canadian Trade Office in Taipei under Paragraph 28(2) of the Arrangement shall be binding on the Tribunal established under this Section.

2. The Tribunal has no jurisdiction to determine the legality of a measure, alleged to constitute a breach of an investment protection of the Arrangement as incorporated into this Agreement, under the domestic law of the Respondent. In determining the consistency of a measure with an investment protection of the Arrangement as incorporated into this Agreement, the Tribunal may consider, as appropriate, the domestic law of the Respondent as a matter of fact. In doing so, the Tribunal shall follow the prevailing interpretation given to the domestic law by the courts or authorities of the Respondent. Any meaning given to domestic law by the Tribunal is not binding on the courts or authorities of the Respondent.

3. If the Claimant submits a claim to arbitration under Article 9 of this Agreement, including a claim that a measure of the Respondent breaches Paragraph 7 of the Arrangement as incorporated into this Agreement, the Claimant has the burden of proving all elements of its claim.

Article 14: Preliminary Objections

1. Without prejudice to the Tribunal's authority to address other questions as a preliminary objection, the Tribunal shall address and decide as a preliminary question an objection by the Respondent that, as a matter of law, a claim submitted is not a claim for which an award in favour of the Claimant may be made under this Agreement, including that a dispute is not within the competence of the Tribunal, or that a claim is manifestly without legal merit.

2. An objection under paragraph 1 of this Article shall be submitted to the Tribunal within 60 days of constitution of the Tribunal. The Tribunal shall suspend any proceeding on the merits and issue a decision or award on the objection, stating the grounds therefor, within 180 days of the objection. However, if a Disputing Party requests a hearing, the Tribunal may take an additional 30 days to issue the decision or award. Regardless of whether a Disputing Party requests a hearing, a Tribunal may, on a showing of extraordinary cause, delay issuing its decision or award by an additional brief period, which may not exceed 30 days.

3. When deciding an objection under paragraph 1 of this Article, the Tribunal shall assume to be true the factual allegations in the claim to arbitration under Article 9 of this Agreement, or any amendment to that claim. The Tribunal may also consider relevant facts not in dispute.

4. Whether or not the Respondent raises an objection under paragraph 1 of this Article concerning the competence of the Tribunal, the Respondent shall have the right to raise, and the Tribunal the authority to address and decide, a question pertaining to its competence in the course of the proceedings.

5. The provisions on costs in Article 21 of this Agreement shall apply to decisions or awards issued under this Article.

Article 15: Consolidation

1. If two or more claims have been submitted separately to arbitration with a question of law or fact in common and arise out of the same events or circumstances, a Disputing Party may seek a consolidation order in accordance with the agreement of all the disputing parties sought to be covered by the order or the terms of paragraphs 2 through 10 of this Article.

2. A Disputing Party that seeks a consolidation order under this Article shall deliver, in writing, a request to the appointing authority to establish a tribunal and shall specify in the request:

(a) the name of the Respondent, or the investors, against which the order is sought;

(b) the nature of the order sought; and

(c) the grounds for the order sought.

3. The Disputing Party shall deliver a copy of the request to the Respondent, or the investors, against which the order is sought.

4. Unless the disputing parties sought to be covered by the order agree to a different appointment process, the appointing authority shall, within 60 days of receiving the request, establish a Tribunal composed of three arbitrators. The appointing authority shall appoint one member who is a natural person of the territory of the Respondent, one member who is a natural person of the territory of the non-disputing Participant, and a presiding arbitrator who is not a natural person of the territory of either Participant.

5. A Tribunal established under this Article shall be established under the UNCITRAL Arbitration Rules and shall conduct its proceedings in accordance with the UNCITRAL Arbitration Rules, except as modified by this Section.

6. If a Tribunal established under this Article is satisfied that the claims submitted to arbitration have a question of law or fact in common, the Tribunal may, in the interest of fair and efficient resolution of the claims and after hearing the disputing parties, by order:

(a) assume jurisdiction over, and hear and determine together, all or part of the claims; or

(b) assume jurisdiction over, and hear and determine one or more of the claims, the determination of which it believes would assist in resolving the other claims.

7. If the Tribunal has been established under this Article, an investor that has submitted a claim to arbitration and that has not been named in a request made under paragraph 2 of this Article may make a written request to the Tribunal that it be included in an order made under paragraph 6 of this Article. The request shall specify:

(a) the name and address of the investor;

(b) the nature of the order sought; and

(c) the grounds on which the order is sought.

8. An investor referred to in paragraph 7 of this Article shall deliver a copy of its request to the disputing parties named in a request under paragraph 1 of this Article.

9. The Tribunal established under Article 9 of this Agreement does not have jurisdiction to decide a claim, or a part of a claim, over which a Tribunal established under this Article has assumed jurisdiction.

10. On application of a disputing party, a Tribunal established under this Article, pending its decision under paragraph 6 of this Article, may order that the proceedings of a Tribunal established under Article 9 of this Agreement be stayed unless the latter Tribunal has already adjourned its proceedings.

Article 16: Seat of Arbitration

The Disputing Parties may agree on the seat of arbitration under the arbitration rules applicable under Article 9 or Article 15 of this Agreement. If the Disputing Parties fail to agree, the Tribunal shall determine the seat of arbitration in accordance with the applicable arbitration rules, provided that the seat of arbitration shall be in the territory of either Participant or a State that is a party to the New York Convention.

Article 17: Transparency of Proceedings

1. The UNCITRAL Transparency Rules, as modified by this Agreement, shall apply in connection with proceedings under this Section.

2. The agreement to mediate, the notice of intent to challenge a member of the Tribunal, the decision on challenge to a member of the Tribunal, and the request for consolidation shall be included in the list of documents to be made available to the public under Article 3(1) of the UNCITRAL Transparency Rules.

3. Exhibits shall be included in the list of documents to be made available to the public under Article 3(2) of the UNCITRAL Transparency Rules.

4. Prior to the constitution of the Tribunal, the Respondent shall make publicly available in a timely manner relevant documents pursuant to paragraph 2 of this Article, subject to the redaction of confidential or protected information. That documentation may be made publicly available by communication to the repository referred to in paragraph 9 of this Article.

5. A Disputing Party may disclose to other persons in connection with the proceedings, including witnesses and experts, unredacted documents that it considers necessary to disclose in the course of proceedings under this Section. However, the Disputing Party shall ensure that those persons protect the confidential information in those documents as directed by the Tribunal.

6. The Respondent may disclose to domestic authorities, if applicable, unredacted documents that it considers necessary to disclose in the course of proceedings under this Section. However, the Respondent shall ensure that those persons protect the confidential information in those documents as directed by the Tribunal.

7. Hearings shall be open to the public. The Tribunal shall determine, in consultation with the Disputing Parties, the appropriate logistical arrangements to facilitate public access to the hearings. If the Tribunal determines that there is a need to protect confidential or protected information, it shall make the appropriate arrangements to hold in private that part of the hearing requiring that protection.

8. Nothing in this Agreement requires the Respondent to withhold from the public information required to be disclosed by the Respondent's law. To the extent that a Tribunal's confidentiality order designates information as confidential and the Respondent's law on access to information requires public access to that information, the Respondent's law on access to information shall prevail. The Respondent should apply its law in a manner sensitive to protecting from disclosure information that has been designated as confidential or protected information.

9. The administering authority to which a claim is submitted under this Section shall be the repository of information published pursuant to this Article.

Article 18: Participation of a Non-Disputing Participant

1. The UNCITRAL Transparency Rules shall apply with respect to the participation of a non-disputing Participant in proceedings under this Section, except as modified by this Agreement.

2. The Respondent shall deliver to the non-disputing Participant:

(a) a claim submitted pursuant to Article 9 of this Agreement, a request for consolidation, and any document that is appended to such documents;

(b) on request:

(i) a request for consultations;

(ii) pleadings, memorials, briefs, requests, and other submissions made to the Tribunal by a Disputing Party;

(iii) written submissions made to the Tribunal pursuant to Article 4 of the UNCITRAL Transparency Rules;

(iv) minutes or transcripts of hearings of the Tribunal, if available;

(v) orders, awards, and decisions of the Tribunal; and

(c) on request and at the cost of the non-disputing Participant, all or part of the evidence that has been tendered to the Tribunal, unless the requested evidence is publicly available.

3. The Tribunal shall instruct the non-disputing Participant receiving materials pursuant to paragraph 2 of this Article to treat the information as if it were the Respondent.

4. The Tribunal shall accept or, after consultation with the Disputing Parties, may invite, oral or written submissions from the non-disputing Participant regarding the interpretation of this Agreement or the Arrangement. The non-disputing Participant may attend a hearing held under this Section.

5. The Tribunal shall not draw any inference from the absence of a submission pursuant to paragraph 4 of this Article.

6. The Tribunal shall ensure that the Disputing Parties are given a reasonable opportunity to present their observations on a submission by the non-disputing Participant.

Article 19: Expert Reports

Without prejudice to the appointment of other kinds of experts if authorized by the applicable arbitration rules, the Tribunal may, at the request of a Disputing Party or, unless the Disputing Parties disapprove, on its own initiative, appoint one or more experts to report to it in writing on any factual issue, including the rights of Indigenous Peoples or scientific matters raised by a Disputing Party in a proceeding, subject to any terms and conditions agreed on by the Disputing Parties.

Article 20: Interim Measures of Protection

1. The Tribunal may order an interim measure of protection to preserve the rights of a Disputing Party or to ensure that the Tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a Disputing Party or to protect the Tribunal's jurisdiction. The Tribunal shall not order attachment or enjoin the application of the measure alleged to constitute a breach referred to in Article 9 of this Agreement. For the purposes of this paragraph, an order includes a recommendation.

2. At the request of a Disputing Party, the Tribunal may order the other Disputing Party to provide security for all or part of the costs, if there are reasonable grounds to believe that there is a risk the Disputing Party may not be able to honour a potential costs award against it. In considering that request, the Tribunal may take into account evidence of third-party funding. If the security for costs is not posted in full within 30 days of the Tribunal's order, or within any other time period set by the Tribunal, the Tribunal shall so inform the Disputing Parties and may order the suspension or termination of the proceedings.

Article 21: Final Award

1. If the Tribunal makes a final award against the Respondent, in respect of its finding of liability, the Tribunal may award, separately or in combination, only:

(a) monetary damages and any applicable interest; and

(b) restitution of property, in which case the award shall provide that the Respondent may pay monetary damages and any applicable interest in lieu of restitution.

2. Subject to paragraph 1 of this Article, if a claim is made under Article 9(2) of this Agreement:

(a) an award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise;

(b) an award of restitution of property shall provide that restitution be made to the enterprise;

(c) an award of costs in favour of the investor shall provide that the sum be paid to the investor; and

(d) the award shall provide that it is made without prejudice to a right that a person, other than a person which has provided a waiver pursuant to Article 9 of this Agreement, may have in monetary damages or property awarded under the domestic law of the Respondent.

3. The Tribunal shall make an order with respect to the costs of the arbitration, which shall in principle be borne by the unsuccessful Disputing Party or Parties. In determining the appropriate apportionment of costs, the Tribunal shall consider all relevant circumstances, including:

(a) the outcome of any part of the proceeding, including the number or extent of the successful parts of the claims or defences;

(b) the Disputing Parties' conduct during the proceeding, including the extent to which they acted in an expeditious and cost-effective manner;

(c) the complexity of the issues; and

(d) the reasonableness of the costs claimed.

4. The Tribunal and the Disputing Parties shall make every effort to ensure the dispute settlement process is carried out in a timely manner. The Tribunal shall issue its final award within 12 months of the final date of the hearing on the merits. The Tribunal may, with good cause and notice to the Disputing Parties, delay issuing its final award by an additional brief period.

5. Monetary damages in an award:

(a) shall not be greater than the loss or damage incurred by the investor, or, as applicable, by the enterprise referred to in Article 9(2) of this Agreement, as valued on the date of the breach (10);

(10) In the case of a breach of Paragraph 8 of the Arrangement as incorporated into this Agreement, the valuation of the loss or damage incurred by the investor, or, as applicable, by the enterprise referred to in Article 9(2) of this Agreement, as valued on the date of the breach, shall be made in accordance with Paragraph 8(5) of the Arrangement.

(b) shall only reflect loss or damage incurred by reason of, or arising out of, the breach; and

(c) shall be determined with reasonable certainty, and shall not be speculative or hypothetical.

6. In making an award under paragraph 5 of this Article, the Tribunal shall calculate monetary damages based only on the submissions of the Disputing Parties, and shall consider, as applicable:

(a) contributory fault, whether deliberate or negligent;

(b) failure to mitigate damages;

(c) prior damages or compensation received for the same loss; or

(d) restitution of property, or repeal or modification of the measure.

7. The Tribunal may award monetary damages for lost future profits only insofar as such damages satisfy the requirements under paragraph 5 of this Article. Such determination requires a case-by-case, fact-based inquiry that takes into consideration, among other factors, whether a covered investment has been in operation in the territory of the Respondent for a sufficient period of time to establish a performance record of profitability.

8. The Tribunal may award pre-award and post-award interest at a reasonable rate of return compounded annually.

9. The Tribunal shall not award punitive damages.

10. The Tribunal shall not award monetary damages under Article 9(1) of this Agreement for loss or damage incurred by the investment.

Article 22: Finality and Enforcement of an Award

1. An award made by the Tribunal has no binding force except between the Disputing Parties and in respect of that particular case.

2. Subject to paragraph 3 of this Article and the applicable review procedure for an interim award, a Disputing Party shall abide by and comply with an award without delay.

3. A Disputing Party shall not seek enforcement of a final award until, in the case of a final award under the UNCITRAL Arbitration Rules:

(a) 90 days have elapsed from the date the award was rendered and no Disputing Party has commenced a proceeding to revise, set aside, or annul the award, or

(b) a court has dismissed or allowed an application to revise, set aside, or annul the award, and there is no further appeal.

4. The Respondent shall provide for the enforcement of an award in its territory.

5. A claim submitted to arbitration under Article 9 of this Agreement shall be considered to arise out of a commercial relationship or transaction for the purposes of Article I of the New York Convention.

Article 23: Third-Party Funding

1. Where the Claimant benefits from a third-party funding arrangement, it shall disclose to the Respondent and to the Tribunal the name and address of the third-party funder.

2. The Claimant shall make the disclosure under paragraph 1 of this Article at the time of the submission of a claim to arbitration under Article 9 of this Agreement, or, if the third-party funding is arranged after the submission of a claim, within ten days of the date on which the third-party funding was arranged.

3. The Claimant shall have a continuing obligation to disclose any changes to the information referred to in paragraph 1 of this Article occurring after its initial disclosure, including termination of the third-party funding arrangement.

Article 24: Service of Documents

The Claimant shall ensure that service of documents to the Respondent is made to the appropriate location or e-mail address of the Respondent, under Paragraph 26(2) of the Arrangement.

Article 25: Receipts under Insurance or Guarantee Contracts

In an arbitration under this Section, the Respondent may not assert as a defence, counterclaim, right of set-off, or otherwise, that the Claimant has received or will receive, under an insurance or guarantee contract, indemnification or other compensation for all or part of its alleged damages.

Article 26: Special Rules Regarding Financial Services

1. With respect to a measure adopted or maintained by the Respondent relating to:

(a) a financial institution of the territory of the other Participant; or

(b) an investor of the territory of the other Participant, or a covered investment in a financial institution in the territory of the other Participant,

this Section applies only in respect of a claim that the Respondent has adopted or maintained a measure that breaches an investment protection of the Arrangement under Paragraph 6, Paragraph 8, or Paragraph 9, as incorporated into this Agreement.

2. If a Disputing Party claims that a dispute involves measures referred to in paragraph 1 of this Article, the arbitrators shall be selected in accordance with Article 12 of this Agreement, as modified in this Article, such that:

(a) the presiding arbitrator shall meet the qualifications set out in Article 12 of this Agreement and have expertise or experience in financial services law or practice, such as the regulation of financial institutions; and

(b) each of the other arbitrators of the Tribunal shall:

(i) meet the qualifications set out in Article 12 of this Agreement; or

(ii) have expertise or experience in financial services law or practice, such as the regulation of financial institutions, and meet the qualifications set out in paragraphs 1, 3, and 6 of Article 12 of this Agreement.

3. If the Claimant submits a claim to arbitration under Article 9 of this Agreement, and the Respondent asserts a defence under Paragraph 9, Paragraph 21(2), or Paragraph 21(3) of the Arrangement as incorporated into this Agreement, the Respondent shall, no later than the date the Tribunal fixes for the Respondent to submit its principal submission on the merits, such as the counter-memorial, submit to the financial authority of the territory of the other Participant a written request for a joint determination by the financial authorities of the territories of the Participants on the issue of whether, and to what extent, the defence asserted is a valid defence to the claim. The Respondent shall provide the Tribunal, if constituted, a copy of its request. The Tribunal shall proceed to hear the claim only as provided in paragraphs 5, 6, or 7 of this Article.

4. With respect to the joint determination by the financial authorities of the territories of the Participants referred to in paragraph 3 of this Article:

(a) the financial authorities of the territories of the Participants shall have 60 days from the date of the receipt of the request to exchange positions;

(b) the financial authorities of the territories of the Participants shall have 60 days from the exchange of positions under paragraph 4(a) of this Article to make a joint determination; and

(c) if the financial authorities of the territories of the Participants have made a joint determination under paragraph 4(b) of this Article, the financial authority of the territory of either Participant shall transmit their joint determination to the Disputing Parties and the Tribunal, if constituted.

5. If the financial authorities of the territories of the Participants in a joint determination referred to in paragraph 4(b) of this Article decide that the paragraph asserted is a valid defence to all parts of the claim, the Claimant is deemed to have withdrawn its claim and to have discontinued the proceeding, with prejudice. The Tribunal, if constituted, shall take note of the discontinuance of the claim in an order, after which the authority of the Tribunal shall cease.

6. If the financial authorities of the territories of the Participants in a joint determination referred to in paragraph 4(b) of this Article decide that the paragraph asserted is only a valid defence to a part of the claim, the Claimant is deemed to have withdrawn that part of the claim and to have discontinued that part of the proceeding, with prejudice. The Tribunal shall

take note of the discontinuance of that part of the claim in an order, and shall not proceed with the part of the claim for which the paragraph asserted is determined to be a valid defence.

7. If the financial authorities of the territories of the Participants do not make a joint determination under paragraph 4(b) of this Article, the Tribunal may decide the matter, provided that:

(a) in addition to the Disputing Parties, the non-disputing Participant may make oral or written submissions to the Tribunal regarding the issue of whether, and to what extent, the paragraph asserted is a valid defence to the claim prior to the Tribunal deciding this issue. Unless it makes a submission, the non-disputing Participant shall be presumed, for the purposes of the arbitration, to take a position on the application of the paragraph asserted that is not inconsistent with the position of the Respondent; and

(b) the Tribunal shall draw no inference regarding the application of the paragraph asserted from the fact that the financial authorities of the territories of the Participants have not made a joint determination referred to in paragraph 4(b) of this Article.

Section D: Expedited Arbitration

Article 27: Consent to Expedited Arbitration

1. The Disputing Parties to an arbitration under Section C (Claimant-Respondent Investment Dispute Settlement) may decide to expedite the arbitration in accordance with this Section, when the damages claimed do not exceed CAD 10 million, by following the procedure in paragraph 2 of this Article.

2. The Disputing Parties shall jointly notify the administering authority in writing of their consent to an expedited arbitration in accordance with this Section. The notice must be received within 20 days of the submission of a claim to arbitration under Article 9(6) of this Agreement.

3. Section C (Claimant-Respondent Investment Dispute Settlement), as modified by this Section, applies to the Investment Dispute, except for Article 14 of this Agreement, which does not apply.

Article 28: Mediation

1. The Disputing Parties may consent to have recourse to mediation in accordance with this Section. Recourse to mediation is without prejudice to the legal position or rights of a Disputing Party under this Section.

2. If the Disputing Parties jointly agree to have recourse to mediation, the Disputing Parties shall appoint a mediator to facilitate the resolution of the dispute within 20 days of the notification provided under Article 27(2) of this Agreement.

3. If the Disputing Parties do not select a mediator within the time period provided for in paragraph 2 of this Article, the appointing authority shall select the mediator within 20 days of the expiration of that time period.

4. The Disputing Parties may hold mediation sessions by videoconference, telephone, or similar means of communication as appropriate.

5. If the Disputing Parties fail to reach a resolution of the dispute within 60 days of the appointment of the mediator, the dispute shall proceed to arbitration in accordance with this Section.

Article 29: Constitution of the Tribunal

The Tribunal in an expedited arbitration shall consist of a sole arbitrator appointed pursuant to Article 30 of this Agreement.

Article 30: Method of Appointing the Sole Arbitrator

1. The Disputing Parties shall jointly appoint the sole arbitrator within 30 days of the notification delivered under Article 27(2) of this Agreement.

2. If the Disputing Parties do not appoint the sole arbitrator within the time period under paragraph 1 of this Article, the appointing authority shall appoint the sole arbitrator in the following manner:

(a) the appointing authority shall transmit a list of five candidates for appointment as the sole arbitrator to the Disputing Parties within 30 days of the expiration of the time period under paragraph 1 of this Article;

(b) each Disputing Party may strike one candidate from the list, and shall rank the remaining candidates in order of preference and transmit such ranking to the appointing authority within 14 days of receipt of the list;

(c) the appointing authority shall inform the Disputing Parties of the result of the rankings on the next business day after receipt of the rankings, and shall appoint the candidate with the best ranking. If two or more candidates share the best ranking, the appointing authority shall select one of them;

(d) the appointing authority shall immediately send the request for acceptance of the appointment to the selected candidate, and shall request a reply within 10 days of receipt; and

(e) if the selected candidate does not accept the appointment, the appointing authority shall select the next highest-ranked candidate.

3. The sole arbitrator shall have expertise or experience as an arbitrator of investor-State disputes arising under international investment agreements. The sole arbitrator shall not be a natural person of the territory of either Disputing Party and shall otherwise be independent of, and not be affiliated with or take instructions from, either Disputing Party or the non-disputing Participant.

4. If the Investment Dispute involves a measure referred to in Article 26(1) of this Agreement, the sole arbitrator shall also have expertise or experience in financial services law or practice, such as the regulation of financial institutions.

5. The sole arbitrator shall be prepared to meet the shorter timeframes provided for in this Section.

6. The sole arbitrator's fees shall be fixed according to the scales of administrative expenses and arbitrator's fees for the expedited procedure set out in Appendix III of the Arbitration Rules of the International Chamber of Commerce.

7. The sole arbitrator shall abide by the Code of Conduct.

Article 31: First Session in Expedited Arbitration

1. The sole arbitrator shall hold a first session within 30 days of the constitution of the Tribunal under Article 29 of this Agreement.

2. The sole arbitrator shall hold the first session by videoconference, telephone, or similar means of communication, unless both Disputing Parties and the sole arbitrator agree it shall be held in person.

Article 32: Procedural Schedule for Expedited Arbitration

1. The following schedule for written submissions and the hearing shall apply in the expedited arbitration:

(a) the Claimant shall file, within 90 days of the first session, a principal submission on the merits, such as a memorial, of no more than 150 pages;

(b) the Respondent shall file, within 90 days of the Claimant's filing of its principal submission on the merits pursuant to paragraph 1(a) of this Article, a principal submission on the merits, such as a counter-memorial, of no more than 150 pages;

(c) the Claimant shall file, within 90 days of the Respondent's filing of its principal submission on the merits pursuant to paragraph 1(b) of this Article, a reply of no more than 100 pages;

(d) the Respondent shall file, within 90 days of the Claimant's filing of the reply pursuant to paragraph 1(c) of this Article, a rejoinder of no more than 100 pages;

(e) a non-disputing Participant may file, within 60 days of the Respondent's filing of the rejoinder pursuant to paragraph 1(d) of this Article, a written submission regarding the interpretation of the Arrangement or this Agreement pursuant to Article 18;

(f) the sole arbitrator shall hold the hearing within 120 days of the Respondent's filing of the rejoinder pursuant to paragraph 1(d) of this Article;

(g) each Disputing Party shall file a statement of costs within 30 days of the last day of the hearing referred to in paragraph 1(f) of this Article; and

(h) the sole arbitrator shall render the award as soon as possible, and in any event within 180 days of the last day of the hearing referred to in paragraph 1(f) of this Article.

2. The sole arbitrator may grant the Claimant if in default a grace period not exceeding 30 days, otherwise the Claimant is deemed to have withdrawn its claim and to have discontinued the proceedings. The sole arbitrator, if appointed, shall, at the request of the Respondent, and after notice to the Disputing Parties, in an order take note of the discontinuance. After the order has been rendered, the authority of the Tribunal shall cease.

3. The sole arbitrator may grant the Respondent in default a grace period not exceeding 30 days, otherwise the Claimant may request that the sole arbitrator address the questions submitted to it and render an award.

4. At the request of a Disputing Party, the sole arbitrator may grant limited requests for specifically identifiable documents that the requesting Disputing Party knows, or has good cause to believe, exist and are in the possession, custody, or control of the other Disputing Party, and shall adjust the schedule under paragraph 1 of this Article as appropriate.

5. The sole arbitrator may, after consulting the Disputing Parties, limit the number, length, or scope of written submissions or written witness evidence (both fact witnesses and experts).

6. The sole arbitrator may, following a joint request by the Disputing Parties, decide the Investment Dispute solely on the basis of the documents submitted by the Disputing Parties, with no hearing and no or a limited examination of witnesses or experts. If the sole arbitrator holds a hearing under paragraph 1(f) of this Article, the sole arbitrator may conduct the hearing by videoconference, telephone, or similar means of communication.

7. The sole arbitrator shall, following a joint request by the Disputing Parties, but no later than the date of filing of the Respondent's principal submission on the merits referred to in paragraph 1(b) of this Article, decide that this Section shall no longer apply to the case.

8. The sole arbitrator may, at the request of a Disputing Party, but no later than the date of filing of the Respondent's principal submission on the merits referred to in paragraph 1(b) of this Article, decide that this Section shall no longer apply to the case. The Disputing Party that has made the request shall bear the costs of the expedited arbitration.

9. If, pursuant to paragraphs 7 or 8 of this Article, the sole arbitrator decides that this Section no longer applies to the case, and unless the Disputing Parties agree otherwise, the sole arbitrator appointed pursuant to Article 29 and Article 30 of this Agreement shall be appointed as presiding arbitrator of the Tribunal constituted under Section C (Claimant-Respondent Investment Dispute Settlement).

10. In all matters concerning an expedited arbitration procedure not expressly provided for in this Agreement, the Disputing Parties shall endeavour to agree on the applicable procedural rules. If the Disputing Parties do not agree on the applicable procedural rules, the sole arbitrator, if appointed, may decide the matter.

Article 33: Consolidation

When two or more claims falling under Article 27 of this Agreement have a question of law or fact in common and arise out of the same events or circumstances, Article 15 of this Agreement shall apply.

Section E: General

1. The Disputing Parties have read this Agreement and agree to proceed with arbitration on the terms herein contained, including the Code of Conduct appended to this Agreement.

2. This Agreement may be executed in counterparts, each of which, when so executed and delivered, will be an original, but all such counterparts will together constitute one and the same instrument.

DATE: _____

[CLAIMANT]

Signature: _____

Printed name: _____

Title: _____

DATE: _____

[HIS MAJESTY THE KING IN RIGHT OF CANADA AS REPRESENTED BY _____ / TAIWAN [____]]

Signature: _____

Printed name: _____

Title: _____

Arbitrator Code of Conduct for Investment Dispute Settlement

Article 1: Definitions

For the purposes of this Code of Conduct:

“arbitrator” means a member of a Tribunal constituted pursuant to Article 12 of the Agreement;

“assistant” means a person who, under the terms of appointment of an arbitrator, conducts research or provides support for the arbitrator;

“candidate” means a person who is under consideration for selection as an arbitrator pursuant to Article 12 or Article 30 of the Agreement;

“expert” means a person appointed pursuant to Article 19 of the Agreement or applicable arbitration rules;

“family member” means the spouse or partner of an arbitrator or candidate; the parent, child, grandparent, grandchild, sister, brother, aunt, uncle, niece, or nephew of the arbitrator or candidate or spouse or partner of the arbitrator or candidate (including whole and half-blood relatives and step relatives), or the spouse or partner of such a person; or a resident of the arbitrator’s or candidate’s household whom the arbitrator or candidate treats as a member of his or her family;

“Rules” means applicable rules pursuant to Article 9 of the Agreement; and

“staff”, in respect of an arbitrator, means individuals under the direction and control of the arbitrator other than assistants.

Article 2: Responsibilities to the Dispute Settlement Process

Each candidate, arbitrator, and former arbitrator shall avoid impropriety and the appearance of impropriety, and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement process is preserved.

Article 3: Governing Principles

1. Each arbitrator shall be independent and impartial, and shall avoid direct or indirect conflicts of interest.

2. Each arbitrator and former arbitrator shall respect the confidentiality of Tribunal proceedings.

3. Each candidate or arbitrator shall disclose the existence of any interest, relationship, or matter that is likely to affect the candidate’s or arbitrator’s independence or impartiality, or that might reasonably create an appearance of impropriety or an apprehension of bias. An appearance of impropriety or an apprehension of bias is created when a reasonable person, with knowledge of all the relevant circumstances that a reasonable inquiry would disclose, would conclude that a candidate’s or arbitrator’s ability to carry out the duties with integrity, impartiality, and competence is impaired.

4. Upon appointment, an arbitrator shall refrain, for the duration of the proceeding, from acting as counsel or party-appointed expert or witness in any pending or new investment dispute relating to the Arrangement or any international investment treaty or arrangement.

5. This Code of Conduct shall be interpreted in a manner consistent with other internationally recognized standards or guidelines regarding direct or indirect conflicts of interest, such as the International Bar Association’s Guidelines on Conflicts of Interest in International Arbitration.

6. In the event of an alleged breach of this Code of Conduct, the Rules governing the arbitration shall apply to any challenge, disqualification, or replacement of an arbitrator.

Article 4: Disclosure Obligations

1. Throughout the Tribunal proceeding, each candidate or arbitrator has a continuing obligation to disclose any interest, relationship, or matter that may bear on the integrity or impartiality of the dispute settlement process.

2. The Disputing Parties or the appointing authority for a Tribunal referred to in Article 12 of the Agreement shall provide a candidate a copy of this Code of Conduct and the Initial Disclosure Statement set out in the Appendix to this Code of Conduct.

3. A candidate shall submit the Initial Disclosure Statement set out in the Appendix to this Code of Conduct to the Disputing Parties or the appointing authority no later than seven days of receipt of that Initial Disclosure Statement.

4. A candidate shall disclose any interest, relationship, or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or an apprehension of bias in the Tribunal

proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interest, relationship, or matter. Therefore, a candidate shall disclose, at a minimum, the following interests, relationships, and matters:

(a) any financial or personal interest of the candidate in:

(i) the Tribunal proceeding or its outcome; and

(ii) an administrative proceeding, a domestic judicial proceeding, or any other international dispute settlement proceeding that involves issues that may be decided in the Tribunal proceeding for which the candidate is under consideration;

(b) any financial interest of the candidate's employer, business partner, business associate, or family member in:

(i) the Tribunal proceeding or its outcome; and

(ii) an administrative proceeding, a domestic judicial proceeding, or any other international dispute settlement proceeding that involves issues that may be decided in the Tribunal proceeding for which the candidate is under consideration;

(c) any past or current financial, business, professional, family, or social relationship with any interested parties (11) in the Tribunal proceeding or their counsel, or any such relationship involving a candidate's employer, business partner, business associate, or family member; and

(11) For greater certainty, "interested parties" includes the territory where the investors have their dominant and effective connection.

(d) any public advocacy or legal or other representation concerning an issue in dispute in the Tribunal proceeding or involving the same investment.

5. Once appointed, an arbitrator shall continue to make all reasonable efforts to become aware of any interest, relationship, or matter referred to in paragraph 4 of this Article, and shall disclose them. The obligation to disclose is a continuing duty that requires an arbitrator to disclose any such interest, relationship, or matter that may arise during any stage of the Tribunal proceeding.

6. In the event of any uncertainty regarding whether an interest, relationship, or matter must be disclosed under paragraph 4 or 5 of this Article, a candidate or arbitrator should err in favour of disclosure. Disclosure of an interest, relationship, or matter is without prejudice as to whether the interest, relationship, or matter is covered by paragraph 4 or 5 of this Article, or whether it warrants recusal, amelioration, or disqualification.

7. The disclosure obligations set out in paragraphs 1 through 6 of this Article should not be interpreted so that the burden of detailed disclosure makes it impractical for individuals in the legal or business community to serve as arbitrators, thereby depriving the Disputing Parties of the services of those who might be best qualified to serve as arbitrators. Thus, a candidate or arbitrator should not be called upon to disclose an interest, relationship, or matter whose bearing on the candidate's or arbitrator's role in the Tribunal proceeding would be trivial.

Article 5: Performance of Duties by Candidates and Arbitrators

1. A candidate who accepts an appointment as an arbitrator shall be available to perform, and shall perform, once the arbitrator is appointed pursuant to Article 12 of the Agreement, an arbitrator's duties thoroughly, fairly, diligently, and expeditiously throughout the course of the Tribunal proceeding.

2. An arbitrator shall ensure that he or she is contactable, at all reasonable times, by the appointing authority, Disputing Parties, arbitration institution in charge of the proceeding, and other arbitrators of the Tribunal in order to conduct Tribunal work.

3. An arbitrator shall comply with the provisions of Section C (Claimant-Respondent Investment Dispute Settlement) and Section D (Expedited Arbitration), as applicable, and the Rules.

4. An arbitrator shall not deny other arbitrators the opportunity to participate in all aspects of the Tribunal proceeding.

5. An arbitrator shall consider only those issues raised in the Tribunal proceeding and necessary to make a decision, order, or award.

6. An arbitrator shall not delegate the duty to make a decision, order, or award to any other person.

7. An arbitrator shall take all reasonable steps to ensure that his or her assistants and staff comply with Article 2, paragraphs 1, 4, 5, 6, and 7 of Article 4, paragraphs 3, 8, and 9 of this Article, and Article 8 of this Code of Conduct.

8. An arbitrator shall not engage in any ex parte contact concerning the Tribunal proceeding.

9. A candidate or arbitrator shall only communicate matters concerning actual or potential violations of this Code of Conduct, or if necessary to ascertain whether that candidate or arbitrator has violated or may violate this Code of Conduct, to the appointing authority, the Disputing Parties, and arbitration institution in charge of the proceedings.

10. Each arbitrator shall keep a record and render a final account of the time devoted to the Tribunal proceeding and of his or her expenses, as well as the time and expenses of his or her staff and assistants.

Article 6: Independence and Impartiality of Arbitrators

1. An arbitrator shall be independent and impartial. An arbitrator shall act in a fair manner and shall not create an appearance of impropriety or an apprehension of bias.

2. An arbitrator shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Disputing Party or a non-disputing Participant, or fear of criticism.

3. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of his or her duties.

4. An arbitrator shall not use his or her position on the Tribunal to advance any personal or private interests. An arbitrator shall avoid actions that may create the impression that others are in a special position to influence the arbitrator. An arbitrator shall make every effort to prevent or discourage others from representing themselves as being in such a position.

5. An arbitrator shall not allow past or ongoing financial, business, professional, family, or social relationships or responsibilities to influence his or her conduct or judgment.

6. An arbitrator shall avoid entering into any relationship, or acquiring any financial interest, that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or an apprehension of bias.

7. If an interest, relationship, or matter of a candidate or arbitrator is inconsistent with paragraphs 1 through 6 of this Article, the candidate may accept appointment to a Tribunal, and an arbitrator may continue to serve on a Tribunal, if the Disputing Parties waive the violation or if, after the candidate or arbitrator has taken steps to ameliorate the violation, the Disputing Parties determine that the inconsistency has ceased.

Article 7: Duties of Former Arbitrators

A former arbitrator shall avoid actions that may create the appearance that the arbitrator was biased in carrying out his or her duties or would benefit from the decision, order, or award of the Tribunal.

Article 8: Maintenance of Confidentiality

1. An arbitrator or former arbitrator shall not at any time disclose or use any non-public information concerning the Tribunal proceeding or acquired during the Tribunal proceeding, except for the purposes of the Tribunal proceeding and shall not, in any case, disclose or use any such information to gain a personal advantage, or an advantage for another person, or to adversely affect the interest of another person.

2. An arbitrator shall not disclose a decision, order, or award, or a part thereof, prior to its publication in accordance with Section C (Claimant-Respondent Investment Dispute Settlement).

3. An arbitrator or former arbitrator shall not at any time disclose the deliberations of the Tribunal, or any arbitrator's view. (12)

(12) For greater certainty, this paragraph does not apply to the arbitrator's view in a decision, order, award, or opinion.

4. An arbitrator shall not make a public statement regarding the merits of a pending Tribunal proceeding.

Article 9: Responsibilities of Experts, Assistants, and Staff

Article 2, paragraphs 1, 4, 5, 6, and 7 of Article 4, paragraphs 3, 8, and 9 of Article 5, Article 7, and Article 8 of this Code of Conduct shall also apply to experts, assistants, and staff.

Appendix to the Arbitrator Code of Conduct for Investment Dispute Settlement: Initial Disclosure Statement Form

1. I acknowledge having received a copy of the Arbitrator Code of Conduct for Investment Dispute Settlement ("Code of

Conduct").

2. I acknowledge having read and understood the Code of Conduct.

3. I understand that I have a continuing obligation, while participating in the Tribunal proceeding, to disclose an interest, relationship, or matter that may bear on the integrity or impartiality of the dispute settlement process. As a part of this continuing obligation, I am making the following initial disclosures:

(a) My financial interest in the Tribunal proceeding for which I am under consideration or in its outcome is as follows:

(b) My financial interest in any administrative proceeding, domestic judicial proceeding, or other international dispute settlement proceeding that involves issues that may be decided in the Tribunal proceeding is as follows:

(c) The financial interests that any employer, business partner, business associate, or family member of mine may have in the Tribunal proceeding or in its outcome are as follows:

(d) The financial interests that any employer, business partner, business associate, or family member of mine may have in any administrative proceeding, domestic judicial proceeding, or other international dispute settlement proceeding that involves issues that may be decided in the Tribunal proceeding are as follows:

(e) My past or current financial, business, professional, family, and social relationships with any interested party in the Tribunal proceeding, or their counsel, are as follows:

(f) The past or current financial, business, professional, family, and social relationships with any interested party in the Tribunal proceeding, or their counsel, involving any employer, business partner, business associate, or family member of mine are as follows:

(g) My public advocacy or legal or other representation concerning an issue in dispute in the Tribunal proceeding or involving the same investment is as follows:

(h) My other interests, relationships, and matters that may bear on the integrity or impartiality of the dispute settlement process and that are not disclosed in paragraphs 3(a) through (g) above are as follows:

Signed on this _____ day of _____, 20__.

By:

Signature _____

Name _____