

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE  
CANBERRA

**Amendments to the Convention Establishing the Multilateral Investment  
Guarantee Agency to Modernise the Mandate of the Multilateral Investment  
Guarantee Agency,  
done at Seoul on 11 October 1985**

**Amendment to the International Finance Corporation Articles of Agreement,  
done at Washington DC on 20 July 1956**

Not yet in force  
[2011] ATNIF 2

## TREATY TEXT

### ***Amendment of the Convention of the Multilateral Investment Guarantee Agency to allow coverage for stand-alone debt***

*The Government on whose behalf the present Agreement is signed agree as follows:*

*1. The text of Article 12(b) pre-amendment reads:*

- *(b) The Board, by special majority, may extend eligibility to any other medium- or long-term form of investment, except that loans other than those mentioned in Section (a) above may be eligible only if they are related to a specific investment covered or to be covered by the Agency.*

*The text will be amended to read as follows:*

- *(b) Loans other than those mentioned in Section (a) above are eligible for coverage (i) if they are made to finance or are otherwise related to a specific investment or project in which some other form of direct investment is present, whether or not guaranteed by the Agency and regardless of when such other investment was made, or (ii) as may be otherwise approved by the Board.*

### ***Amendment of the Convention of the Multilateral Investment Guarantee Agency to broaden the process for investor registration***

*The Government on whose behalf the present Agreement is signed agree as follows:*

*1. The text of Article 12(c) pre-amendment reads:*

- *(c) Guarantees shall be restricted to investments the implementation of which begins subsequent to the registration of the application for the guarantee by the Agency. Such investments may include: (i) any transfer of foreign exchange made to modernize, expand, or develop an existing investment; and (ii) the use of earnings from existing investments which could otherwise be transferred outside the host country.*

*The text will be amended to read as follows:*

- *(c) The Board, by special majority, may extend eligibility to any other medium- or long-term form of investment.*

### ***Amendment of the Convention of the Multilateral Investment Guarantee Agency to broaden the scope for coverage for existing assets***

*The Government on whose behalf the present Agreement is signed agree as follows:*

*1. The text of Article 12(d) pre-amendment reads:*

- *(d) In guaranteeing an investment, the Agency shall satisfy itself as to: (i) the economic soundness of the investment and its contribution to the development of the host country; (ii) compliance of the investment with the host country's laws and regulations; (iii) consistency of the investment with the declared development objectives and priorities of the host country; and (iv) the investment conditions in the host country, including the availability of fair and equitable treatment and legal protection for the investment.*

*The text will be amended to read as follows:*

- *(d) Guarantees shall generally be restricted to investments the implementation of which begins subsequent to the registration of the application for the guarantee by the Agency or receipt by the Agency of other satisfactory evidence of investor intent to obtain guarantees from the Agency. Such investments may include: (i) any transfer of foreign exchange made to modernize, expand, or develop an existing investment, in which case both the original investment and the additional investment may be considered eligible for coverage; (ii) the use of earnings from existing investments which could otherwise be transferred outside the host country; (iii) the acquisition of an existing investment by a new eligible investor; (iv) existing investments where an eligible investor is seeking to insure a pool of existing and new investments; (v) existing investments owned by an eligible investor where there is an improvement or enhancement of the underlying project or the investor otherwise demonstrates a medium- or long-term commitment to the project, and the Agency is satisfied that the project continues to have a high developmental impact in the host country; and (vi) such other investments as may be approved by the Board by special majority.*
- *(e) In guaranteeing an investment, the Agency shall satisfy itself as to: (i) the economic soundness of the investment and its contribution to the development of the host country; (ii) compliance of the investment with the host country's laws and regulations; (iii) consistency of the investment with the declared development objectives and priorities of the host country; and (iv) the investment conditions in the host country, including the availability of fair and equitable treatment and legal protection for the investment.*

***Amendment of the Convention of the Multilateral Investment Guarantee Agency to eliminate the requirement for a joint application by the investor and the host country to authorise coverage for specific additional non-commercial risks***

*The Government on whose behalf the present Agreement is signed agree as follows:*

*1. The text of Article 11(b) pre-amendment reads:*

- *(b) Upon the joint application of the investor and the host country, the Board, by special majority, may approve the extension of coverage under this Article to specific non-commercial risks other than those referred to in Section (a) above, but in no case to the risk of devaluation or depreciation of currency.*

*The text will be amended to read as follows:*

- *(b) In addition, the Board, by special majority, may approve the extension of coverage under this Article to specific non-commercial risks other than those referred to in Section (a) above, but in no case to the risk of devaluation or depreciation of currency.*

*For the full text of the Convention of the Multilateral Investment Guarantee Agency, please see Schedule 1 to the Multilateral Investment Guarantee Agency Act 1997.*

***Proposed amendment of the Articles of Agreement of the International Finance Corporation to increase basic votes***

*The Government on whose behalf the present Agreement is signed agree as follows:*

*1. The Text of Article IV, Section 3(a) currently reads:*

- *(a) Each member shall have two hundred fifty votes plus one additional vote for each share of stock held.*

*The text will be amended to read as follows:*

- *(a) The voting power of each member shall be equal to the sum of its basic votes and share votes.*

*For the full text of the Articles of Agreement of the International Finance Corporation, please see Schedule 1 to the International Finance Corporation Act 1955.*