

“Colombia-Canada FTA Will Enter Into Force in Late 2010”

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August 3, 2010-Bogota, Colombia. Colombia’s Constitutional Court has declared the *Colombia-Canada Free Trade Agreement* is constitutional and has cleared the final hurdle towards the treaty’s entry into force in the coming months. Earlier, on June 29, 2010, Canadian legislation enacting the agreement received Royal Assent. The agreement will enter into force 60 days after Colombia’s formal notification to Canada that internal ratification of the agreement has been completed.

The agreement, among other things, will likely serve as a catalyst for existing and future Canadian investments in Colombia’s oil, gas and mining sectors. During the past few years, investments in these sectors have more than quadrupled and accounted for the lion’s share of foreign direct investment. The government has announced it expects investments to reach the US\$ 62 billion mark by 2015. Canadian mining investment in particular as recently as 2008, accounted for close to half of all mining investment. That involvement continues to increase.

The agreement’s investment chapter enhances legal protection for Canadian investments in Colombia against expropriatory, discriminatory or arbitrary government conduct. The investment chapter also grants investors the right to claim damages from the government before international arbitral tribunals governed by international law. Notably under the agreement, Canadian investors will still be able to enter into legal stability contracts with the government under local law to guarantee the governing financial and regulatory conditions upon which they decide to invest.