

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

ANNEX I

SCHEDULE OF CANADA

INTRODUCTORY NOTES

1. **Description** provides a general non-binding description of the measure for which the entry is made.
2. **Obligations Concerned** specifies the obligations referred to in Article YY (Non-Conforming Measures) and Article XX (Non-Conforming Measures) that do not apply to the listed measures.
3. In the interpretation of an entry, all elements of an entry shall be considered. An entry shall be interpreted in the light of the relevant provisions of the Chapters against which the entry is taken. To the extent that:
 - (a) the **Measures** element is qualified by a liberalisation commitment from the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and
 - (b) the **Measures** element is not so qualified, the **Measures** element prevails over other elements, unless a discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element prevails, in which case the other elements prevail to the extent of that discrepancy.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-1

Sector: All Sectors

Sub-Sector:

Type of Reservation: National Treatment (Article YY)
Performance Requirements (Article YY)
Senior Management and Boards of Directors (Article YY)

Level of Government: Central

Measures: *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.)
Investment Canada Regulations, S.O.R./85-611

Description: **Investment**

1. Except as set out in paragraphs 5 and 9, the Director of Investments will review a direct “acquisition of control”, as defined in the *Investment Canada Act*, of a Canadian business by World Trade Organization investor if the value of the Canadian business is not less than C\$1 Billion, adjusted in accordance with the applicable methodology in January of each subsequent year, starting in 2019, as set out in the *Investment Canada Act*.
2. Notwithstanding the definition of “investor of a Party” in Article YY (Definitions), only investors who are World Trade Organization Members or entities controlled by World Trade Organization Members provided for in the *Investment Canada Act* may benefit from the CAD \$1 billion threshold.
3. Except as set out in paragraphs 5 and 9, the Director of Investments will review a direct “acquisition of control, as defined in the *Investment Canada Act*, of a Canadian business by a trade agreement investor if the value of the Canadian business is not less than CAD \$1.5 billion, adjusted in accordance with the applicable methodology in January of each subsequent year, starting in 2019, as set out in the *Investment Canada Act*.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

4. Notwithstanding the definition of “investor of a Party” in Article YY (Definitions), only a trade agreement investor or an entity controlled by a trade agreement investor as provided for in the *Investment Canada Act* may benefit from the CAD \$1.5 billion review threshold.
5. The higher threshold in paragraph 1 and 3 does not apply to a direct acquisition of control by a state-owned enterprise of a Canadian business. Such acquisitions are subject to review by the Director of Investments if the value of the Canadian business is not less than C\$398 million in 2018, adjusted in accordance with the applicable methodology in January of each subsequent year as set out in the *Investment Canada Act*.
6. An investment subject to review under the *Investment Canada Act* may not be implemented unless the Minister responsible for the *Investment Canada Act* advises the applicant that the investment is likely to be of net benefit to Canada. This determination is made in accordance with six factors described in the Act, summarized as follows:
 - (a) the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on the use of parts, components and services produced in Canada and on exports from Canada;
 - (b) the degree and significance of participation by Canadians in the investment;
 - (c) the effect of the investment on productivity, industrial efficiency, technological development and product innovation in Canada;
 - (d) the effect of the investment on competition within an industry or industries in Canada;
 - (e) the compatibility of the investment with national industrial, economic and cultural policies, taking into consideration industrial,

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

economic and cultural policy objectives enunciated by the government or legislature of a province likely to be significantly affected by the investment; and

(f) the contribution of the investment to Canada's ability to compete in world markets.

7. In making a net benefit determination, the Minister, through the Director of Investments, may review plans under which the applicant demonstrates the net benefit to Canada of the proposed acquisition. An applicant may also submit undertakings to the Minister in connection with a proposed acquisition that is the subject of review. In the event of noncompliance with an undertaking by an applicant, the Minister may seek a court order directing compliance or any other remedy authorised under the *Investment Canada Act*.
8. A non-Canadian who establishes or acquires a Canadian business, other than those that are subject to review must notify the Director of Investments.
9. The review thresholds set out in paragraphs 1, 3 and 5 do not apply to an acquisition of a cultural business.
10. In addition, the specific acquisition or establishment of a new business in designated types of business activities relating to Canada's cultural heritage or national identity, which are normally notifiable, may be subject to review if the Governor in Council authorises a review in the public interest.
11. An indirect "acquisition of control" of a Canadian business by an investor of a Party other than a cultural business is not reviewable.
12. Notwithstanding Article YY (Performance Requirements), Canada may impose requirements or enforce a commitment or undertaking in connection with the establishment, acquisition, expansion, conduct, operation or management of an investment of an investor of a Party or of a non-Party for the transfer of technology, production process or other proprietary knowledge to a national or enterprise, affiliated to the transferor, in Canada in connection with the review of

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

an acquisition of an investment under the *Investment Canada Act*.

13. Except for requirements, commitments or undertakings relating to technology transfer as set out in paragraph 12 of this reservation, Article (YY Performance Requirements) applies to requirements, commitments or undertakings imposed or enforced under the *Investment Canada Act*.
14. For the purposes of this reservation, a “non-Canadian” means an individual, government or agency thereof or an entity that is not Canadian; and “Canadian” means a Canadian citizen or permanent resident, a government in Canada or agency thereof, or a Canadian-controlled entity as described in the *Investment Canada Act*.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-2

Sector:	All Sectors
Sub-Sector:	
Type of Reservation:	National Treatment (Article YY) Senior Management and Boards of Directors (Article YY)
Level of Government:	Central
Measures:	As set out in the Description element.
Description:	<p>Investment</p> <ol style="list-style-type: none">1. Canada or a province or territory, when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of such interests or assets and on the ability of owners of such interests or assets to control a resulting enterprise by investors of a Party or of a third country or their investments. With respect to such a sale or other disposition, Canada or a province or territory may adopt or maintain a measure relating to the nationality of senior management or members of the board of directors.2. For the purposes of this reservation:<ol style="list-style-type: none">(a) a measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes a limitation on the ownership of equity interests or assets or imposes a nationality requirement described in this reservation is an existing measure; and(b) government enterprise means an enterprise owned or controlled through ownership interests by Canada or a province or territory, and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

interests in, or the assets of, an existing state
enterprise or governmental entity.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-3

Sector:	All Sectors
Sub-Sector:	
Type of Reservation:	National Treatment (Article YY)
Measures:	<i>Canada Business Corporations Act</i> , R.S.C. 1985, c. C-44 <i>Canada Business Corporations Regulations, 2001</i> , S.O.R./2001-512 <i>Canada Cooperatives Act</i> , S.C. 1998, c. 1 <i>Canada Cooperatives Regulations</i> , SOR/99-256
Level of Government:	Central
Description:	Investment <ol style="list-style-type: none">1. A corporation may place constraints on the issue, transfer and ownership of shares in a federally incorporated corporation. The object of those constraints is to permit a corporation to meet Canadian ownership or control requirements, under certain laws set out in the <i>Canada Business Corporations Regulations, 2001</i>, in sectors where Canadian ownership or control is required as a condition to receive licences, permits, grants, payments or other benefits. In order to maintain certain Canadian ownership levels, a corporation is permitted to sell shareholders' shares without the consent of those shareholders, and to purchase its own shares on the open market.2. The <i>Canada Cooperatives Act</i> provides that constraints may be placed on the issue or transfer of investment shares of a cooperative to persons not resident in Canada, to permit cooperatives to meet Canadian ownership requirements to obtain a licence to carry on a business, to become a publisher of a Canadian newspaper or periodical or to acquire investment shares of a financial intermediary and in sectors where ownership or control is a required condition to receive licences, permits, grants, payments and other benefits. Where the ownership or control of investment shares

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

would adversely affect the ability of a cooperative to maintain a level of Canadian ownership or control, the *Canada Cooperatives Act* provides for the limitation of the number of investment shares that may be owned or for the prohibition of the ownership of investment shares.

3. For the purposes of this reservation **Canadian** means “Canadian” as defined in the *Canada Business Corporations Regulations, 2001* or in the *Canada Cooperatives Regulations*.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-4

Sector:	All Sectors
Sub-Sector:	
Type of Reservation:	National Treatment (Article YY)
Level of Government:	Central
Measures:	<i>Citizenship Act</i> , R.S.C. 1985, c. C-29 <i>Foreign Ownership of Land Regulations</i> , S.O.R./79-416
Description:	Investment 1. The <i>Foreign Ownership of Land Regulations</i> are made pursuant to the <i>Citizenship Act</i> and the <i>Agricultural and Recreational Land Ownership Act</i> , R.S.A. 1980, c. A-9. In Alberta, an ineligible person or foreign owned or controlled corporation may only hold an interest in controlled land consisting of a maximum of two parcels containing, in the aggregate, a maximum of 20 acres. 2. For the purposes of this reservation: ineligible person means: (a) a natural person who is not a Canadian citizen or permanent resident; (b) a foreign government or agency thereof; or (c) a corporation incorporated in a country other than Canada; and controlled land means land in Alberta but does not include: (a) land of the Crown in right of Alberta; (b) land within a city, town, new town, village or summer village; and (c) mines or minerals.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-5

Sector:	All Sectors
Sub-Sector:	
Type of Reservation:	National Treatment (Article YY)
Level of Government:	Central
Measures:	<i>Canadian Arsenals Limited Divestiture Authorization Act</i> , S.C. 1986, c. 20 <i>Eldorado Nuclear Limited Reorganization and Divestiture Act</i> , S.C. 1988, c. 41 <i>Nordion and Theratronics Divestiture Authorization Act</i> , S.C. 1990, c. 4
Description:	Investment

1. A "non-resident" or "non-residents" may not own more than a specified percentage of the voting shares of the corporation to which each Act applies. For some companies the restrictions apply to individual shareholders, while for others the restrictions may apply in the aggregate. If there are limits on the percentage that an individual Canadian investor can own, these limits also apply to non-residents. The restrictions are as follows:
 - Cameco Limited (formerly Eldorado Nuclear Limited): 15 per cent per non-resident natural person, 25 per cent in the aggregate;
 - Nordion International Inc.: 25 per cent in the aggregate;
 - Theratronics International Limited: 49 per cent in the aggregate; and
 - Canadian Arsenals Limited: 25 per cent in the aggregate.
2. For the purposes of this reservation, **non-resident** includes:
 - (a) a natural person who is not a Canadian citizen and not ordinarily resident in Canada;
 - (b) a corporation incorporated, formed or otherwise organised outside Canada;

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

- (c) the government of a foreign State or a political subdivision of a government of a foreign State, or a person empowered to perform a function or duty on behalf of such a government;
- (d) a corporation that is controlled directly or indirectly by a person or an entity referred to in subparagraphs (a) through (c);
- (e) a trust:
 - (i) established by a person or an entity referred to in subparagraphs (b) through (d), other than a trust for the administration of a pension fund for the benefit of natural persons the majority of whom are resident in Canada; or
 - (ii) in which a person or an entity referred to in subparagraphs (a) through (d) has more than 50 per cent of the beneficial interest; and
- (f) a corporation that is controlled directly or indirectly by a trust referred to in subparagraph (e).

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-6

Sector: All Sectors

Sub-Sector:

Type of Reservation: Local Presence (Article XX)

Level of Government: Federal

Measure: *Export and Import Permits Act*, R.S.C. 1985, c. E-19

Description: **Cross-Border Trade in Services**

Only a natural person ordinarily resident in Canada, an enterprise with its head office in Canada or a branch office in Canada of a foreign enterprise may apply for and be issued an import or export permit or transit authorisation certificate for a good or related service subject to controls under the *Export and Import Permits Act*.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-7

Sector:	Communications services
Sub-sector:	Telecommunications transport networks and services Radiocommunications
Type of Reservation:	National Treatment (Article YY) Senior Management and Boards of Directors (Article YY)
Level of Government:	Central
Measures:	<i>Telecommunications Act</i> , S.C. 1993, c. 38 <i>Canadian Telecommunications Common Carrier Ownership and Control Regulations</i> , S.O.R./94-667 <i>Radiocommunications Act</i> , R.S.C. 1985, c. R-2 <i>Radiocommunication Regulations</i> , S.O.R./96-484
Description:	Investment <ol style="list-style-type: none">1. Foreign investment in facilities-based telecommunications service suppliers is restricted to a maximum, cumulative total of 46.7 per cent voting interest, based on 20 per cent direct investment and 33.3 per cent indirect investment.2. Facilities-based telecommunications service suppliers must be controlled in fact by Canadians.3. At least 80 per cent of the members of the board of directors of facilities-based telecommunications service suppliers must be Canadians.4. Notwithstanding the restrictions described above:<ol style="list-style-type: none">(a) foreign investment is allowed up to 100 per cent for suppliers conducting operations under an international submarine cable licence;(b) mobile satellite systems of a foreign service supplier may be used by a Canadian service supplier to provide services in Canada;(c) fixed satellite systems of a foreign service supplier may be used to provide services between points in Canada and all points outside Canada;

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

- (d) foreign investment is allowed up to 100 per cent for suppliers conducting operations under a satellite authorisation; and
- (e) foreign investment is allowed up to 100 per cent for facilities-based telecommunications service suppliers that have revenues, including those of its affiliates, from the supply of telecommunications services in Canada representing less than 10 per cent of the total telecommunications services revenues in Canada. Facilities-based telecommunications service suppliers that previously had annual revenues, including those of their affiliates, from the supply of telecommunications services in Canada representing less than 10 per cent of the total telecommunications services annual revenues in Canada may increase to 10 per cent or beyond as long as the increase in such revenues did not result from the acquisition of control of, or the acquisition of assets used to supply telecommunications services by, another facilities-based telecommunications service supplier that is subject to the legislative authority of the Parliament of Canada.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-8

Sector:	Business Services Industries
Sub-Sector:	
Type of Reservation:	National Treatment (Articles YY and XX) Local Presence (Article XX) Senior Management and Boards of Directors (Article YY)
Level of Government:	Central
Measures:	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2nd Supp.) <i>Customs Brokers Licensing Regulations</i> , S.O.R./86-1067
Description:	Investment and Cross-Border Trade in Services To be a licensed customs broker in Canada, in addition to meeting all other licensing requirements: (a) a natural person must be a Canadian national; (b) a corporation must be incorporated in Canada with a majority of its directors being Canadian nationals; and (c) a partnership must be composed of persons who are Canadian nationals who meet all other licensing requirements, or corporations incorporated in Canada with a majority of their directors being Canadian nationals who meet all other licensing requirements.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-9

Sector:	Business Services Industries
Sub-Sector:	Duty Free Shops
Type of Reservation:	National Treatment (Articles YY and XX) Local Presence (Article XX)
Level of Government:	Central
Measures:	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2nd Supp.) <i>Duty Free Shop Regulations</i> , S.O.R./86-1072
Description:	Investment and Cross-Border Trade in Services <ol style="list-style-type: none">1. In addition to all other licensing requirements, to be a licensed duty free shop operator at a border crossing in Canada, a natural person must be a Canadian national; 2. In addition to all other licensing requirements, to be a licensed duty free shop operator at a border crossing in Canada, a corporation must be incorporated in Canada and have all of its shares beneficially owned by Canadian nationals who meet all other licensing requirements.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-10

Sector:	Business Services Industries
Sub-Sector:	Examination Services relating to the export and import of Cultural Property
Type of Reservation:	National Treatment (Articles XX) Local Presence (Article XX)
Level of Government:	Central
Measure:	<i>Cultural Property Export and Import Act</i> , R.S.C. 1985, c. C-51
Description:	Cross-Border Trade in Services <ol style="list-style-type: none">1. Only a resident of Canada or an institution in Canada may be designated as an expert examiner of cultural property for the purposes of the <i>Cultural Property Export and Import Act</i>.2. For the purposes of this reservation:<ol style="list-style-type: none">(a) institution means an entity that is publicly owned and operated solely for the benefit of the public, that is established for educational or cultural purposes and that conserves objects and exhibits them; and(b) resident of Canada means a natural person who is ordinarily resident in Canada, or a corporation that has its head office in Canada or maintains an establishment in Canada to which employees employed in connection with the business of the corporation ordinarily report for work.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-11

Sector:	Professional Services
Sub-Sector:	Patent agents Patent agents supplying legal advisory and representation services.
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX)
Level of Government:	Central
Measures:	<i>Patent Act</i> , R.S.C. 1985, c. P-4 <i>Patent Rules</i> , S.O.R./96-423
Description:	Cross-Border Trade in Services To represent a person in the prosecution of a patent application or in other business before the Patent Office, a patent agent must be resident in Canada and registered by the Patent Office.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-12

Sector:	Professional Services
Sub-Sector:	Trade-mark agents Trade mark agents supplying legal advisory and representation services in statutory procedures
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX)
Level of Government:	Central
Measures:	<i>Trade-marks Act</i> , R.S.C. 1985, c. T-13 <i>Trade-marks Regulations</i> , S.O.R./96-195
Description:	Cross-Border Trade in Services To represent a person in the prosecution of an application for a trade-mark or in other business before the Trade-marks Office, a trade-mark agent must be resident in Canada and registered by the Trade-marks Office.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-13

Sector:	Energy
Sub-Sector:	Oil and Gas
Type of Reservation:	National Treatment (Article YY)
Level of Government:	Central
Measures:	<i>Canada Petroleum Resources Act</i> , R.S.C. 1985, c. 36 (2 nd Supp.) <i>Territorial Lands Act</i> , R.S.C. 1985, c. T-7 <i>Federal Real Property and Federal Immovables Act</i> , S.C. 1991, c. 50 <i>Canada-Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 <i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i> , S.C. 1988, c. 28
Description:	Investment <ol style="list-style-type: none">1. This reservation applies to production licences issued for "frontier lands" and "offshore areas" (areas not under provincial jurisdiction) as defined in the applicable measures.2. A person who holds an oil and gas production licence or shares therein must be a corporation incorporated in Canada.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-14

Sector:	Energy
Sub-Sector:	Oil and Gas
Type of Reservation:	Performance Requirements (Article YY) Local Presence (Article XX)
Level of Government:	Central
Measures:	<p><i>Canada Oil and Gas Operations Act</i>, R.S.C. 1985, c. O-7 <i>Canada - Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i>, S.C. 1988, c. 28 <i>Canada - Newfoundland Atlantic Accord Implementation Act</i>, S.C. 1987, c. 3 Measures implementing the Canada-Yukon Oil and Gas Accord, including the <i>Canada-Yukon Oil and Gas Accord Implementation Act</i>, 1998, c.5, s. 20 and the <i>Oil and Gas Act</i>, RSY 2002, c. 162 Measures implementing the Northwest Territories Oil and Gas Accord, including implementing measures that apply to or are adopted by Nunavut as the successor territories to the former Northwest Territories Measures implementing the Accord between the Government of Canada and the Government of Quebec for the joint management of petroleum resources in the Gulf of St. Lawrence or any other similar federal-provincial accords related to the joint management of petroleum resources.</p>

Description: **Investment and Cross-Border Trade in Services**

1. Under the *Canada Oil and Gas Operations Act*, a "benefits plan" must be approved by the Minister in order to be authorised to proceed with an oil and gas development project.
2. A **benefits plan** means a plan for the employment of Canadians and for providing Canadian manufacturers, consultants, contractors and service companies with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in proposed work or activity referred to in the benefits plan.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

3. The benefits plan contemplated by the *Canada Oil and Gas Operations Act* permits the Minister to impose on the applicant an additional requirement to ensure that disadvantaged individuals or groups have access to training and employment opportunities or can participate in the supply of goods and services used in proposed work referred to in the benefits plan.
4. Provisions continuing those set out in the *Canada Oil and Gas Operations Act* are included in laws which implement the Canada-Yukon Oil and Gas Accord.
5. Provisions continuing those set out in the *Canada Oil and Gas Operations Act* will be included in laws or regulations to implement accords with various provinces and territories, including implementing legislation by provinces and territories (for example, the Northwest Territories Oil and Gas Accord, the Canada-Quebec Gulf of St. Lawrence Petroleum Resources Accord, and the New Brunswick Oil and Gas Accord). For the purposes of this reservation these accords and implementing legislation shall be deemed, once concluded, to be existing measures
6. The *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada-Newfoundland Atlantic Accord Implementation Act* have the same requirement for a benefits plan but also require that the benefits plan ensures that:
 - (a) the corporation or other body submitting the plan establishes in the applicable province an office where appropriate levels of decision-making are to take place, prior to carrying out work or an activity in the offshore area;
 - (b) expenditures be made for research and development to be carried out in the province, and for education and training to be provided in the province; and
 - (c) first consideration be given to goods produced or services provided from within the province, where those goods or services are competitive in terms of fair market price, quality and delivery.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

7. The Boards administering the benefits plan under these Acts may also require that the plan include provisions to ensure that disadvantaged individuals or groups, or corporations owned or cooperatives operated by them, participate in the supply of goods and services used in proposed work or activity referred to in the plan.
8. In addition, Canada may impose a requirement or enforce a commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a person of Canada in connection with the approval of development projects under the applicable Acts.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-15

Sector:	Energy
Sub-Sector:	Oil and Gas
Type of Reservation:	Performance Requirements (Article YY)
Level of Government:	Central
Measures:	<i>Hibernia Development Project Act</i> , S.C. 1990, c. 41 <i>Canada-Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3
Description:	Investment <ol style="list-style-type: none">1. Under the <i>Hibernia Development Project Act</i>, Canada and the Hibernia Project Owners may enter into agreements. Those agreements may require the Project Owners to undertake to perform certain work in Canada and Newfoundland and to use their best efforts to achieve specific Canadian and Newfoundland target levels in relation to the provisions of a "benefits plan" required under the <i>Canada-Newfoundland Atlantic Accord Implementation Act</i>. "Benefits plans" are further described in I-C-14.2. In addition, Canada may impose in connection with the Hibernia Project a requirement or enforce a commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a national or enterprise in Canada.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-16

Sector:	Energy
Sub-Sector:	Uranium
Type of Reservation:	National Treatment (Article YY) Most-Favored-Nation Treatment (Article YY)
Level of Government:	Central
Measures:	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1st Supp.) <i>Investment Canada Regulations</i> , S.O.R./85-611 <i>Policy on Non-Resident Ownership in the Uranium Mining Sector</i> , 1987
Description:	Investment <ol style="list-style-type: none">1. Ownership by "non-Canadians", as defined in the <i>Investment Canada Act</i>, of a uranium mining property is limited to 49 per cent at the stage of first production. Exceptions to this limit may be permitted if it can be established that the property is in fact "Canadian controlled", as defined in the <i>Investment Canada Act</i>.2. Exemptions from the <i>Non-Resident Ownership Policy in the Uranium Mining Sector</i> are permitted, subject to approval of the Governor in Council, only in cases where Canadian participants in the ownership of the property are not available. Investments in properties by non-Canadians, made prior to December 23, 1987 and that are beyond the permitted ownership level, may remain in place. No increase in non-Canadian ownership is permitted.3. In considering a request for an exemption from the Policy from an investor of a NAFTA Party for which the Agreement has entered into force pursuant to Article XX (Entry into Force), Canada will not require that it be demonstrated that a Canadian partner cannot be found.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-17

Sector:	Transportation
Sub-Sector:	Air transportation
Type of Reservation:	Most-Favored-Nation Treatment (Article YY) National Treatment (Article YY) Senior Management and Board of Directors (Article YY)
Level of Government	Central
Measures:	<i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , S.O.R./96-433: Part II, Subpart 2 -“Aircraft Markings & Registration”; Part IV “Personnel Licensing & Training”; and Part VII “Commercial Air Services”
Description:	Investment 1. Only Canadians may provide the following commercial air transportation services: (a) domestic services (air services between points, or from and to the same point, in the territory of Canada, or between a point in the territory of Canada and a point not in the territory of another country); (b) scheduled international services (scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under existing or future air services agreements; (c) non-scheduled international services (non-scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under the <i>Canada Transportation Act</i> ; and

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

- (d) specialty air services including, but are not limited to: aerial mapping, aerial surveying, aerial photography, forest fire management, fire-fighting, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing and aerial crop spraying.
2. For the purposes of 1 (a), (b) and (c), the *Canada Transportation Act*, in section 55, defines "Canadian" in the following manner: "... 'Canadian' means
- (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*,
 - (b) a government in Canada or an agent or mandatary of such a government, or
 - (c) a corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51% of the voting interests are owned and controlled by Canadians and where:
 - (i) no more than 25% of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and
 - (ii) no more than 25% of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person;
3. Regulations made under the Aeronautics Act include distinct definitions of "Canadian" referenced in paragraphs (2) and (4). These Regulations require that a Canadian operator of commercial air services operate Canadian-registered aircraft. These Regulations require an operator to be Canadian in order to obtain a Canadian Air Operator Certificate and to qualify to register aircraft as "Canadian".
4. For the Purposes of 1 (d), the *Canadian Aviation Regulations* define "Canadian" in the following manner:

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

- (i) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*,
 - (ii) a government in Canada or an agent or mandatary of such a government, or
 - (iii) a corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75% of the voting interests are owned and controlled by Canadians.
5. No foreign individual is qualified to be the registered owner of a Canadian-registered aircraft.
6. Further to the *Canadian Aviation Regulations*, a corporation incorporated in Canada, but that does not meet the Canadian ownership and control requirements, may only register an aircraft for private use where a significant majority of use of the aircraft (at least 60%) is in Canada.

The *Canadian Aviation Regulations* also have the effect of limiting foreign-registered private aircraft registered to non-Canadian corporations to be present in Canada for a maximum of 90 days per twelve-month period. The foreign-registered private aircraft shall be limited to private use, as would be the case for Canadian-registered aircraft requiring a private operating certificate.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-18

Sector:	Air transportation
Sub-Sector:	Specialty air services as defined in Chapter X (Cross-Border Trade in Services)
Level of Government	Central
Type of Reservation:	National Treatment (Article XX) Most-Favored-Nation Treatment (Article XX)
Measures:	Canada Transportation Act, S.C. 1996, c. 10 Air Transportation Regulations, S.O.R./88-58 Canadian Aviation Regulations, S.O.R./96-433
Description:	Cross-Border Trade in Services

Authorisation from Transport Canada is required to supply specialty air services in the territory of Canada. In determining whether to grant a particular authorisation, Transport Canada will consider among other factors, whether the country in which the applicant, if an individual, is resident or, if an enterprise, is constituted or organized, provides Canadian specialty air service operators reciprocal access to supply specialty air services in that country's territory. Any foreign service supplier authorized to supply specialty air services is required to comply with Canadian safety requirements while supplying such services in Canada.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-19

Sector:	Transportation
Sub-Sector:	Air Transportation
Level of Government	Central
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX) Most-Favored-Nation Treatment (Article XX)
Measures:	<i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , SOR/96-433: Part IV “Personnel Licensing & Training”; Part V “Airworthiness”; Part VI “General Operating & Flight Rules”; and Part VII “Commercial Air Services”
Description:	Cross-Border Trade in Services <ol style="list-style-type: none">1. Aircraft and other aeronautical product repair, overhaul or maintenance activities required to maintain the airworthiness of Canadian-registered aircraft and other aeronautical products must be performed by persons meeting Canadian aviation regulatory requirements (that is, approved maintenance organisations and aircraft maintenance engineers). Certifications are not provided for persons located outside Canada, except sub-organisations of approved maintenance organisations that themselves are located in Canada.2. Pursuant to an airworthiness agreement between Canada and the United States, Canada recognizes the certification and oversight provided by the United States for all repair, overhaul and maintenance facilities and individuals performing the work located in the United States.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-20

Sector:	Transportation
Sub-Sector:	Land Transportation
Level of Government:	Central
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX)
Measures:	<i>Motor Vehicle Transport Act</i> , R.S.C. 1985, c. 29 (3rd Supp.), as amended by S.C. 2001, c. 13. <i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Customs Tariff</i> , 1997, c. 36
Description:	Cross-Border Trade in Services Only persons of Canada using Canadian-registered and either Canadian-built or duty-paid trucks or buses, may provide truck or bus services between points in the territory of Canada.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-21

Sector:	Transportation
Sub-Sector:	Water transportation
Level of Government:	Central
Type of Reservation:	National Treatment (Articles YY and XX) Local Presence (Articles XX)
Measures:	<i>Canada Shipping Act, 2001, S.C. 2001, c. 26</i>
Description:	Investment and Cross-Border Trade in Services

1. To register a vessel in Canada, the owner of that vessel or the person who has exclusive possession of that vessel must be:
 - (a) a Canadian citizen or a permanent resident within the meaning of subsection 2(1) of the Immigration and Refugee Protection Act,
 - (b) a corporation incorporated under the laws of Canada or a province or territory; or
 - (c) when the vessel is not already registered in another country, a corporation incorporated under the laws of a country other than Canada if one of the following is acting with respect to all matters relating to the vessel, namely:
 - (i) a subsidiary of the corporation that is incorporated under the law of Canada or a province or territory,
 - (ii) an employee or director in Canada of any branch office of the corporation that is carrying on business in Canada, or
 - (iii) a ship management company incorporated under the law of Canada or a province or territory.
2. A vessel registered in a foreign country which has been bareboat chartered may be listed in Canada for the

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

duration of the charter while the vessel's registration is suspended in its country of registry, if the charterer is:

- (a) a Canadian citizen or permanent resident, as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*; or
- (b) a corporation incorporated under the law of Canada or a province or territory.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-22

Sector:	Transportation
Sub-Sector:	Water transportation
Level of Government:	Central
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX)
Measures:	<i>Canada Shipping Act, 2001</i> , S.C. 2001, c. 26 <i>Marine Personnel Regulations</i> , S.O.R./2007-115
Description:	Cross-Border Trade in Services Masters, mates, engineers and certain other seafarers must hold certificates granted by the Minister of Transport as a requirement of service on Canadian registered vessels. These certificates may be granted only to Canadian citizens or permanent residents.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-23

Sector:	Transportation
Sub-Sector:	Water transportation
Level of Government:	Central
Type of Reservation:	National Treatment (Article XX) Local Presence (Article XX)
Measures:	<i>Pilotage Act, R.S.C., 1985, c. P-14</i> <i>General Pilotage Regulations, S.O.R./2000-132</i> <i>Atlantic Pilotage Authority Regulations, C.R.C., c. 1264</i> <i>Laurentian Pilotage Authority Regulations, C.R.C., c. 1268</i> <i>Great Lakes Pilotage Regulations, C.R.C., c. 1266</i> <i>Pacific Pilotage Regulations, C.R.C., c. 1270</i>
Description:	Cross-Border Trade in Services Subject to Canada's Reservation II-C-8, a licence or a pilotage certificate issued by the relevant regional Pilotage Authority is required to provide pilotage services in the compulsory pilotage waters of the territory of Canada. Only a Canadian citizen or permanent resident may obtain such a licence or pilotage certificate. A permanent resident of Canada who has been issued a pilot's licence or pilotage certificate must become a Canadian citizen within five years of receipt of that licence or pilotage certificate in order to retain it.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-24

Sector:	Transportation
Sub-Sector:	Water transportation
Level of Government:	Central
Type of Reservation:	Most-Favored-Nation Treatment (Article XX)
Measures:	<i>Coasting Trade Act</i> , S.C. 1992, c. 31
Description:	Cross-Border Trade in Services

The prohibitions under the *Coasting Trade Act*, set out in Canada's Reservation II-C-7, do not apply to any vessel that is owned by the Government of the United States of America, when used solely for the purpose of transporting goods owned by the Government of the United States of America from the territory of Canada to supply Distant Early Warning sites.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-25

Sector:	Transportation
Sub-Sector:	Water transportation services by sea-going and non-sea-going vessels
Level of Government:	Central
Type of Reservation:	Local Presence (Article XX)
Measures:	<i>Shipping Conferences Exemption Act, 1987, R.S.C. 1985, c.17 (3rd Supp.)</i>
Description:	Cross-Border Trade in Services Members of a shipping conference must maintain jointly an office or agency in the region of Canada where they operate. A shipping conference is an association of ocean carriers that has the purpose or effect of regulating rates and conditions for the transportation by those carriers of goods by water.

Subject to Legal Review for Accuracy, Clarity, and Consistency
Subject to Language Authentication

Reservation I-C-26

Sector:	All
Sub-Sector:	
Obligations Concerned:	National Treatment (Article YY and Article XX) Most-Favored-Nation Treatment (Article YY and XX) Performance Requirements (Article YY) Senior Management and Boards of Directors (Article YY) Local Presence (Article XX)
Level of Government:	Regional
Measures:	An existing non-conforming measure of a province and territory.
Description:	Investment and Cross-Border Trade in Services