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ANNEX II

SCHEDULE OF CANADA

INTRODUCTORY NOTES

In the interpretation of an entry, all elements of the entry shall be considered. The Description element shall prevail over all other elements.

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Reservation II-C-1

Sector: Aboriginal Affairs

Sub-sector:

Type of Reservation:

National Treatment (Articles YY and XX)
Most-Favored-Nation Treatment (Articles YY and XX)
Performance Requirements (Article YY)
Senior Management and Boards of Directors (Article YY)
Local Presence (Article XX)

Description:

Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain measures conferring rights or privileges to aboriginal peoples.

Existing Measures:

Constitution Act, 1982, being Schedule B of the *Canada Act 1982 (U.K.)*, 1982, c. 11 as well as land claims agreements and self-government agreements that have been implemented by statute.

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Reservation II-C-2

Sector: All Sectors

Sub-sector:

Type of Reservation: National Treatment (Article YY)

Description: **Investment**

Canada reserves the right to adopt or maintain a measure relating to residency requirements for the ownership of oceanfront land by investors of a Party or their investments.

Existing Measures:

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Reservation II-C-3

Sector:	Fisheries
Sub-Sector:	Fishing and Services Incidental to Fishing
Type of Reservations:	National Treatment (Articles YY and XX) Most-Favored Nation Treatment (Articles YY and XX)
Description:	Investment and Cross-Border Trade in Services Canada reserves the right to adopt or maintain any measure with respect to licencing fishing or fishing related activities, including entry of foreign fishing vessels to Canada's exclusive economic zone, territorial sea, internal waters or ports, and use of any services therein.
Existing Measures:	<i>Fisheries Act</i> , R.S.C. 1985, c. F14 <i>Coastal Fisheries Protection Act</i> , R.S.C. 1985, c.33 <i>Coastal Fisheries Protection Regulations</i> , C.R.C. 1978, c. 413 <i>Commercial Fisheries Licensing Policy</i> <i>Policy on Foreign Investment in the Canadian Fisheries Sector</i> , 1985

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Reservation II-C-4

Sector: Government Finance

Sub-sector: Securities

Type of Reservation: National Treatment (Article YY)

Description: **Investment**

Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by nationals of a Party of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada or a Canadian sub-national government.

Existing Measures: *Financial Administration Act*, R.S.C. 1985, c. F-11

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Reservation II-C-5

Sector: Minority Affairs

Sub-sector:

Type of Reservation:

National Treatment (Articles YY and XX)
Performance Requirements (Article YY)
Senior Management and Boards of Directors (Article YY)
Local Presence (Article XX)

Description:

Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure conferring rights or privileges to a socially or economically disadvantaged minority.

Existing Measures:

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Reservation II-C-6

Sector: Social Services

Sub-sector:

Type of Reservation: National Treatment (Articles YY and XX)
Most-Favored-Nation Treatment (Articles YY and XX)
Senior Management and Boards of Directors (Article YY)
Local Presence (Article XX)
Performance Requirements (Article YY)

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

Canada reserves the right to adopt or maintain a measure with respect to the supply of public law enforcement and correctional services, as well as 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, and child care.

Existing Measures:

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Reservation II-C-7

Sector:	Transportation
Sub-sector:	Water transportation
Type of Reservation:	National Treatment (Articles YY and XX) Most-Favored-Nation Treatment (Articles YY and XX) Performance Requirements (Article YY) Senior Management and Boards of Directors (Article YY) Local Presence (Article XX)
Description:	<p>Investment and Cross-Border Trade in Services</p> <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain any measure affecting the investment in or supply of marine cabotage services, including:<ol style="list-style-type: none">(a) the transportation of goods or passengers by vessel between points in the territory of Canada or above the continental shelf of Canada, directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of 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(b) the engaging by vessel in any other marine activity of a commercial nature in the territory of Canada 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.2. This reservation relates to, among other things, limitations and conditions for services suppliers entitled to participate in these activities, to criteria for the issuance of a temporary cabotage licence to foreign vessels, and to limits on the number of cabotage licences issued to foreign vessels.3. For greater certainty, this reservation applies, among other things, to marine activities of a commercial nature

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undertaken by or from a vessel, including feeder services
and repositioning of empty containers.

Existing Measures:

Coasting Trade Act, S.C., 1992, c. 31

Canada Shipping Act, 2001, S.C. 2001, c.26

Customs Act, R.S.C., 1985, c.1 (2nd Supp.)

Customs and Excise Offshore Application Act, R.S.C., 1985,
c. C-53.

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Reservation II-C-8

Sector: Transportation

Sub-Sector: Water transportation

Type of Reservation: Most-Favored-Nation Treatment (Article XX)

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

Canada reserves the right to adopt or maintain a measure relating to the implementation of agreements, arrangements and other formal or informal undertakings with other countries with respect to maritime activities in waters of mutual interest in areas such as pollution control (including double hull requirements for oil tankers), safe navigation, barge inspection standards, water quality, pilotage, salvage, drug abuse control and maritime communications.

Existing Measures:

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Reservation II-C-9

Sector: Transportation

Sub-Sector: Water transportation

Type of Reservation: National Treatment (Articles YY and XX)
Most-Favored-Nation Treatment (Articles YY and XX)
Performance Requirements (Article YY)
Senior Management Board of Directors (Article YY)
Local Presence (Article XX)

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

Canada reserves the right to adopt or maintain any measure denying service providers or investors of United States, or their investments, the benefits accorded service providers or investors of Mexico or any other country, or their investments, in sectors or activities equivalent to those subject to Schedule of the United States, Annex II, page II-US-5

Existing Measures:

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Reservation II-C-10

Sector: Water Transportation

Sub-sector: Technical Testing and Analysis Services

Type of Reservation: Most-Favored-Nation Treatment (Article YY)
Local Presence (Article XX)

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

1. Canada reserves the right to adopt or maintain a measure affecting the statutory inspection and certification of vessels on behalf of Canada.
2. For greater certainty, only a person, classification society or other organisation authorised by Canada may carry out statutory inspections and issue Canadian Maritime Documents to Canadian registered vessels and their equipment on behalf of Canada.

Existing Measures:

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Reservation II-C-11

Sector: All Sectors

Sub-sector:

Type of Reservation: Most-Favored-Nation Treatment (Articles YY and XX)

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

1. Canada reserves the right to adopt or maintain a measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

2. Canada reserves the right to adopt or maintain a measure that accords differential treatment to countries under any bilateral or multilateral agreement in force or signed after the date of entry into force of this Agreement involving:

(a) aviation;

(b) fisheries; or

(c) maritime matters, including salvage.

Existing Measures:

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Reservation II-C-12

Sector: All

Sub-sector:

Type of Reservation: Market Access (Articles XX)

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

Canada reserves the right to adopt or maintain a measure that is not inconsistent with:

(a) Canada's obligations under Article XVI of GATS¹; and

(b) Canada's Schedule of Specific Commitments under the GATS (GATS/SC/16, GATS/SC/16/Suppl.1, GATS/SC/16/Suppl.1/Rev.1, GATS/SC/16/Suppl.2, GATS/SC/16/Suppl.2/Rev.1, GATS/SC/16/ Suppl.3, GATS/SC/16/Suppl.4 and GATS/SC/16/Suppl.4/Rev.1).

For greater certainty, this entry applies to measures adopted or maintained that affect the supply of a service by a covered investment pursuant to Article XX (Market Access). For purposes of this entry only, Canada's Schedule of Specific Commitments is modified as indicated in Appendix I.

Existing Measures:

¹ For greater certainty, this includes obligations resulting from future amendments to Canada's Schedule to Article XVI of GATS.

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Appendix I

For the following Sectors, Canada's obligations under Article XVI of GATS are improved as described.

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing and Book-keeping services	<p>Under Mode 1 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario. <p>Under Mode 2 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario.
Architectural services	<p>Under Mode 1 remove:</p> <p><u>Architects</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec.
Engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p>

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	<ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.
<p>Integrated engineering services</p>	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba. <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.
<p>Urban planning and landscape architectural services</p>	<p>Under Mode 1 remove:</p> <p><u>Community/ Urban Planning</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec.
<p>Real estate services</p>	<p>Under Mode 1 remove:</p> <p><u>Chartered Appraisers</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec.
<p>Management consulting services</p>	<p>Under Mode 1 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec. <p><u>Professional Administrators and Certified Management Consultants</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec Professional Corporation of Administrators.

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	<p><u>Industrial Relations Counsellors</u> - Citizenship requirement for use of title: Quebec.</p> <p>Under Mode 2 remove:</p> <p><u>Agrologists</u> - Citizenship requirement for accreditation: Quebec.</p>
Investigation and security services	<p>Under Mode 3 remove:</p> <p><u>Business and Personnel Information Investigations</u> - Foreign ownership restriction to 25 per cent in total and 10 per cent by any individual holding shares: Ontario.</p>
Related scientific and technical consulting services	<p>Under Mode 1 remove:</p> <p><u>Land Surveyors</u> - Citizenship requirement for accreditation: Nova Scotia and Quebec.</p> <p><u>Subsurface Surveying Services</u> - Citizenship requirement for accreditation: Quebec.</p> <p><u>Professional Technologist</u> - Citizenship requirement for accreditation: Quebec.</p> <p><u>Chemists</u> - Citizenship requirement for accreditation: Quebec.</p> <p>Under Mode 2 remove:</p> <p><u>Land Surveyors</u> - Citizenship requirement for accreditation: Nova Scotia and Quebec.</p> <p><u>Subsurface Surveying Services</u> - Citizenship requirement for accreditation: Quebec</p>
Other business services	<p>Under Mode 1 remove:</p> <p><u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec.</p> <p>Under Mode 2 remove:</p> <p><u>Certified Translators and Interpreters</u></p>

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	<p>- Citizenship requirement for use of title: Quebec.</p> <p>Under Mode 3 remove:</p> <p><u>Collection Agencies</u></p> <p>- Foreign Ownership restriction to 25 per cent in total and 10 per cent by any individual: Ontario.</p>
Courier services	<p>Under Mode 3 remove:</p> <p>- Economic needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Nova Scotia and Manitoba.</p>
General construction work for civil engineering	<p>Under Mode 3 remove:</p> <p><u>Construction</u></p> <p>- An applicant and holder of a water power site development permit must be incorporated in Ontario.</p>
Wholesale trade services	<p>Under Mode 1, remove:</p> <p>Marketing of Fish Products (Nova Scotia): Nova Scotia residents require ministerial approval to enter into agreements with non-residents.</p>
Railway passenger and freight transport	<p>Under Mode 1, remove:</p> <p>- cabotage limitation</p>
Road Passenger Transportation	<p>Under Mode 3 remove:</p> <p><u>Interurban bus transport and scheduled services:</u></p> <p>- Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): Prince Edward Island.</p>

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Subject to Language Authentication

Road Freight transportation	Under Mode 3 remove: <u>Highway freight transportation</u> - Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to supply proper service.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia.
Telecommunications	Under Mode 3 remove: Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.