

ANNEX II

SCHEDULE OF CANADA

INTRODUCTORY NOTES

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

Reservation II-C-1

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| Sector: | Aboriginal Affairs |
| Sub-sector: | |
| Obligations Concerned: | National Treatment (Articles 14.4 and 15.3) Most-Favored-Nation Treatment (Articles 14.5 and 15.4) Performance Requirements (Article 14.10) Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain measures conferring rights or preferences to aboriginal peoples. For greater certainty, Canada reserves the right to adopt and maintain measures related to the rights recognized and affirmed by section 35 of the <i>Constitution Act, 1982</i> or those set out in self-government agreements between a central or regional level of government and indigenous peoples. |
| Existing Measures: | <i>Constitution Act, 1982</i> , being Schedule B of the <i>Canada Act 1982</i> (U.K.), 1982, c. 11 as well as land claims agreements and self-government agreements that have been implemented by statute. |

Reservation II-C-2

Sector: All Sectors

Sub-sector:

Obligations Concerned: National Treatment (Article 14.4)

Description: Investment

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

Existing Measures:

Reservation II-C-3

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| Sector: | Fisheries |
| Sub-Sector: | Fishing and Services Incidental to Fishing |
| Obligations Concerned: | National Treatment (Articles 14.4 and 15.3) Most-Favored Nation Treatment (Articles 14.5 and 15.4) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain any measure with respect to licensing 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 |

Reservation II-C-4

Sector: Government Finance

Sub-sector: Securities

Obligations Concerned: National Treatment (Article 14.4)

Description: Investment

Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by a national 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

Reservation II-C-5

Sector: Minority Affairs

Sub-sector:

Obligations Concerned: National Treatment (Articles 14.4 and 15.3)
Performance Requirements (Article 14.10)
Senior Management and Boards of Directors (Article 14.11)
Local Presence (Article 15.6)

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:

Reservation II-C-6

Sector: Social Services

Sub-sector:

Obligations Concerned: National Treatment (Articles 14.4 and 15.3)
Most-Favored-Nation Treatment (Articles 14.5 and 15.4)
Performance Requirements (Article 14.10)
Senior Management and Boards of Directors (Article 14.11)
Local Presence (Article 15.6)

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:

Reservation II-C-7

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| Sector: | Transportation |
| Sub-sector: | Water Transportation |
| Obligations Concerned: | National Treatment (Articles 14.4 and 15.3) Most-Favored-Nation Treatment (Articles 14.5 and 15.4) Performance Requirements (Article 14.10) Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6) |
| Description: | <p><u>Investment and Cross-Border Trade in Services</u></p> <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a 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 license to foreign vessels, and to limits on the number of cabotage licenses issued to foreign vessels.3. For greater certainty, this reservation applies, among other things, to marine activities of a commercial nature |

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, 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

Reservation II-C-8

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| Sector: | Transportation |
| Sub-Sector: | Water Transportation |
| Obligations Concerned: | Most-Favored-Nation Treatment (Article 15.4) |
| Description: | <u>Cross-Border Trade in Services</u> |

Canada reserves the right to adopt or maintain a measure relating to the implementation of an agreement, arrangement, or other formal or informal undertaking 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, or maritime communications.

Existing Measures:

Reservation II-C-9

Sector: Transportation

Sub-Sector: Water Transportation

Obligations Concerned: National Treatment (Articles 14.4 and 15.3)
Most-Favored-Nation Treatment (Articles 14.5 and 15.4)
Performance Requirements (Article 14.10)
Senior Management Board of Directors (Article 14.11)
Local Presence (Article 15.6)

Description: Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure denying a service provider or investor of the United States, or its investments, the benefits accorded to a service provider or investor of Mexico or any other country, or its investments, in sectors or activities equivalent to those subject to Schedule of the United States, Annex II, page ANNEX II – UNITED STATES – 5.

Existing Measures:

Reservation II-C-10

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| Sector: | Water Transportation |
| Sub-sector: | Technical Testing and Analysis Services |
| Obligations Concerned: | Most-Favored-Nation Treatment (Article 14.5) Local Presence (Article 15.6) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a measure affecting the statutory inspection and certification of a vessel on behalf of Canada.2. For greater certainty, only a person, classification society or other organization authorized 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: | |

Reservation II-C-11

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| Sector: | All Sectors |
| Sub-sector: | |
| Obligations Concerned: | Most-Favored-Nation Treatment (Articles 14.5 and 15.4) |
| Description: | <u>Investment and Cross-Border Trade in Services</u> <ol style="list-style-type: none">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:<ol style="list-style-type: none">(a) aviation;(b) fisheries; or(c) maritime matters, including salvage. |

Existing Measures:

Reservation II-C-12

Sector: All

Sub-sector:

Obligations Concerned: Market Access (Articles 15.5)

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 GATS;¹ 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 15.5 (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.

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: |

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| | <p>Manitoba.</p> <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. |
| Integrated 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> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. |
| Urban planning and landscape architectural services | <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. |
| Real estate services | <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. |
| Management consulting services | <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> |

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

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| | <p>Under Mode 2 remove:</p> <p><u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec.</p> <p>Under Mode 3 remove:</p> <p><u>Collection Agencies</u> - Foreign Ownership restriction to 25 percent in total and 10 percent 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> - 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> - 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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| Road Freight transportation | <p>Under Mode 3 remove:</p> <p><u>Highway freight transportation</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.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia.</p> |
| Telecommunications | <p>Under Mode 3 remove:</p> <p>Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.</p> |