

# LIMITED

CETA Services and Investment Reservations  
Canada Federal Annex I  
1 August 2014

## Annex 1

### Schedule of Canada

<b>Sector:</b>	All Sectors
<b>Sub-Sector:</b>	
<b>Industry Classification:</b>	
<b>Type of Reservation:</b>	National Treatment (Article ) Market Access (Article ) Performance Requirements (Article ) Senior Management and Boards of Directors (Article )
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1st Supp.) Investment Canada Regulations, SOR/85-611
<b>Description:</b>	<b>Investment</b>  <ol style="list-style-type: none"><li>1. Except as set out in paragraphs 3 and 7, the Director of Investments will review a direct “acquisition of control”, as defined in the <i>Investment Canada Act</i>, of a Canadian business by an investor of the EU if the value of the Canadian business is not less than C\$1.5 Billion, adjusted in accordance with the applicable methodology in January of each subsequent year as set out in the <i>Investment Canada Act</i>.</li><li>2. Notwithstanding the definition of “investor of a Party” in Article [X.3 Definitions], only investors who are nationals of the EU or entities controlled by nationals of the EU as provided for in the <i>Investment Canada Act</i> may benefit from the higher review.</li><li>3. The higher threshold in paragraph 1 does not apply to a direct “acquisition of control” by a state owned enterprise of a Canadian business. Such acquisitions are</li></ol>

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subject to review by the Director of Investments if the value of the Canadian business is not less than C\$354 million in 2014, adjusted in accordance with the applicable methodology in January of each subsequent year as set out in the *Investment Canada Act*.

4. 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 6 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, economic and cultural policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and

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- (f) the contribution of the investment to Canada's ability to compete in world markets.
5. 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 authorized under the *Investment Canada Act*.
  6. A non-Canadian who establishes or acquires a Canadian business, other than those that are subject to review must notify the Director of Investments.
  7. The review thresholds set out in paragraphs 1 and 3, do not apply to an acquisition of a cultural business.
  8. 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 authorizes a review in the public interest.
  9. An indirect "acquisition of control" of a Canadian business by an investor of the EU other than a cultural business is not reviewable.
  10. Notwithstanding Article [X.5 Performance Requirements], Canada may impose requirements or enforce a commitment or undertaking in connection with the establishment, acquisition, expansion, conduct or operation of an investment of an investor of the EU 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

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Canada in connection with the review of an acquisition of an investment under the *Investment Canada Act*.

11. Except for requirements, commitments or undertakings relating to technology transfer as set out in paragraph 10 of this reservation, Article (X.5 Performance Requirements) applies to requirements, commitments or undertakings imposed or enforced under the *Investment Canada Act*.

12. 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*.

**Sector:** All Sectors

**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment (Article ·)  
Market Access (Article ·)  
Senior Management and Boards of Directors (Article ·)

**Level of Government:** Federal – Provincial – Territorial – All

**Measures:** As set out in the **Description** element.

**Description:** **Investment**

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 the European Union or of a non-Party or their investments. With respect to

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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:
  - (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 interests in, or the assets of, an existing State enterprise or governmental entity.

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**Sector:** All Sectors

**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment (Article ·)  
Market Access

**Measures:** *Canada Business Corporations Act*, R.S.C. 1985, c. C-44  
*Canada Business Corporations Regulations*, SOR/2001-512  
*Canada Cooperatives Act*, S.C. 1998, c. 1  
*Canada Cooperatives Regulations*, SOR/99-256

**Level of Government:** Federal

**Description:** **Investment**

1. A corporation may place constraints on the issue, transfer and ownership of shares in a federally incorporated corporation. The object of those

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constraints is to permit a corporation to meet Canadian ownership or control requirements, under certain laws set out in the *Canada Business Corporations Regulations*, 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 *Canada Cooperatives Act* 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 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* or in the *Canada Cooperatives Regulations*.

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**Sector:** All Sectors

**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** Senior Management and Boards of Directors (Article .)  
National Treatment (Article )

**Level of Government:** Federal

**Measures:** *Canada Business Corporations Act*, R.S.C. 1985, c. C-44  
*Canada Business Corporations Regulations*, SOR/2001-512

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*Canada Cooperatives Act*, S.C. 1998, c. 1

*Canada Cooperatives Regulations*, SOR/99-256

*Canada Corporations Act*, R.S.C. 1970, c. C-32

Special Acts of Parliament incorporating specific companies

### Description:

### Investment

1. The *Canada Business Corporations Act* requires, for most federally incorporated corporations, that 25 percent of directors be resident Canadians and, if such corporations have fewer than four directors, at least one director must be a resident Canadian. As provided in the *Canada Business Corporations Regulations*, a simple majority of resident Canadian directors is required for corporations in the following sectors: uranium mining; book publishing or distribution; book sales, where the sale of books is the primary part of the corporation's business, and film or video distribution. Similarly, corporations that, by an Act of Parliament or Regulation, are individually subject to minimum Canadian ownership requirements are required to have a majority of resident Canadian directors.
2. For the purposes of the *Canada Business Corporations Act*, resident Canadian means an individual who is a Canadian citizen ordinarily resident in Canada, a Canadian citizen who is not ordinarily resident in Canada who is a member of a class set out in the *Canada Business Corporations Regulations*, or a permanent resident as defined in the *Immigration and Refugee Protection Act* other than a permanent resident who has been ordinarily resident in Canada for more than one year after becoming eligible to apply for Canadian citizenship.
3. In the case of a holding corporation, not more than one-third of the directors need be resident Canadians if the earnings in Canada of the holding corporation and its subsidiaries are less than 5 percent of the gross earnings of the holding corporation and its subsidiaries.

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4. The *Canada Cooperatives Act* requires that not less than two-thirds of the directors be members of the cooperative. At least 25 percent of directors of a cooperative must be resident in Canada; if a cooperative has only three directors, at least one director must be resident in Canada.
5. For the purposes of the *Canada Cooperatives Act*, a resident of Canada is defined in the *Canada Cooperatives Regulations* as an individual who is a Canadian citizen and who is ordinarily resident in Canada; a Canadian citizen who is not ordinarily resident in Canada and who is a member of a class set out in the *Canada Cooperatives Regulations*, or a permanent resident as defined in the *Immigration and Refugee Protection Act* other than a permanent resident who has been ordinarily resident in Canada for more than one year after becoming eligible to apply for Canadian citizenship.

**Sector:** All Sectors

**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment (Article .)

**Level of Government:** Federal – Provincial

**Measures:** *Citizenship Act*, R.S.C. 1985, c. C-29

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*Foreign Ownership of Land Regulations*, SOR/79-416

### Description:

#### Investment

1. The *Foreign Ownership of Land Regulations* are made pursuant to the *Citizenship Act* and the *Agricultural and Recreational Land Ownership Act*, RSA 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 2 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;

#### **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.

### Sector:

All Sectors

### Sub-Sector:

### Industry Classification:

### Type of Reservation:

National Treatment (Article -)

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Market Access

**Level of Government:** Federal

**Measures:** *Air Canada Public Participation Act*, R.S.C. 1985, c. 35 (4th Supp.)  
*Canadian Arsenal Limited Divestiture Authorization Act*, S.C. 1986, c. 20  
*Eldorado Nuclear Limited Reorganization and Divestiture Act*, S.C. 1988, c. 41  
*Nordion and Theratronics Divestiture Authorization Act*, 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. Where 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:
  - Air Canada: 25% in the aggregate;
  - Cameco Limited (formerly Eldorado Nuclear Limited): 15% per non-resident natural person, 25% in the aggregate;
  - Nordion International Inc.: 25% in the aggregate;
  - Theratronics International Limited: 49% in the aggregate; and
  - Canadian Arsenal Limited: 25% 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;

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- (b) a corporation incorporated, formed or otherwise organised outside Canada;
- (c) the government of a foreign State or a political subdivision thereof, 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 an entity referred to in subparagraphs (a) through (c);
- (e) a trust:
  - (i) established by 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 an entity referred to in subparagraphs (a) through (d) has more than 50% of the beneficial interest; and
- (f) a corporation that is controlled directly or indirectly by a trust referred to in subparagraph (e).

**Sector:**

All Sectors

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**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment  
Market Access

**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 authorization certificate for a good or related service subject to controls under the *Export and Import Permits Act*.

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**Sector:** Social Services

**Sub-Sector:**

**Industry Classification:**

**Type of Reservation:** National Treatment  
Most-Favoured Nation Treatment  
Performance Requirements  
Senior Management and Boards of Directors

**Level of Government:** Provincial – Territorial – All

**Descriptions:** **Cross-border Trade in Services and Investment**

Canada reserves the right to maintain any measure with respect to the provision of social services not otherwise reserved under its Annex II reservation in respect of Social Services on page II – C – 9.

This reservation against Most-Favoured Nation Treatment does not apply to the provision of private education services.

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<b>Sector:</b>	Communications
<b>Sub-sector:</b>	Telecommunications Transport Networks and Services Radiocommunications
<b>Industry Classification:</b>	CPC 752
<b>Type of Reservation:</b>	National Treatment (Article XX) Senior Management and Boards of Directors (Article XX) Market Access (Article XX)
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Telecommunications Act</i> , S.C. 1993, c. 38 <i>Canadian Telecommunications Common Carrier Ownership and Control Regulations</i> , SOR/94-667 <i>Radiocommunications Act</i> , R.S.C. 1985, c. R-2 <i>Radiocommunication Regulations</i> , SOR/96-484
<b>Description:</b>	<b>Investment</b>  Foreign investment in facilities-based telecommunications service suppliers is restricted to a maximum, cumulative total of 46.7 percent voting interest, based on 20 percent direct investment and 33.3 percent indirect investment;  Facilities-based telecommunications service suppliers must be controlled in fact by Canadians;  At least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers must be Canadians;  1. Notwithstanding the restrictions described above:  (a) foreign investment is allowed up to 100 percent for suppliers conducting operations under an international submarine cable licence;

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- (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;
- (d) foreign investment is allowed up to 100 percent for suppliers conducting operations under a satellite authorization; and
- (e) foreign investment is allowed up to 100 percent for facilities-based telecommunications service suppliers that have revenues, including those of its affiliates, from the provision of telecommunications services in Canada representing less than 10 percent of the total telecommunications services revenues in Canada.

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<b>Sector:</b>	Professional services
<b>Sub-Sector:</b>	Customs Brokers, Other supporting and auxiliary transport services
<b>Industry Classification:</b>	CPC 749
<b>Type of Reservation:</b>	National Treatment (Article ·) Market Access (Article · ) Senior Management and Boards of Directors (Article ·)
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2nd Supp.) <i>Customs Brokers Licensing Regulations</i> , SOR/86-1067
<b>Description:</b>	<b>Cross-Border Trade in Services and Investment</b>  To be a licensed customs broker in Canada:  (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, or corporations incorporated in Canada with a majority of their directors being Canadian nationals.

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<b>Sector:</b>	Retail Services
<b>Sub-Sector:</b>	Duty Free Shops
<b>Industry Classification:</b>	CPC 631, 632 (limited to duty-free shops)
<b>Type of Reservation:</b>	National Treatment (Articles ____ and ____ ) Market Access (Articles .)
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2nd Supp.) <i>Duty Free Shop Regulations</i> , SOR/86-1072
<b>Description:</b>	<b>Cross-Border Trade in Services and Investment</b>  1. To be a licensed duty free shop operator at a land border crossing in Canada, a natural person must:  (a) be a Canadian national;  (b) be of good character;  (c) be principally resident in Canada; and

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- (d) have resided in Canada for at least 183 days of the year preceding the year of application for the licence.
- 2. To be a licensed duty free shop operator at a land border crossing in Canada, a corporation must:
  - (a) be incorporated in Canada; and
  - (b) have all of its shares beneficially owned by Canadian nationals who meet the requirements of paragraph 1.

<b>Sector:</b>	Business Services
<b>Sub-Sector:</b>	Examination Services relating to the Export and Import of Cultural Property, Museum services except for historical sites and buildings (limited to cultural property examination services)
<b>Industry Classification:</b>	CPC 96321, 87909 (limited to cultural property examination services)
<b>Type of Reservation:</b>	National Treatment Market Access
<b>Level of Government:</b>	Federal
<b>Measure:</b>	<i>Cultural Property Export and Import Act</i> , R.S.C. 1985, c. C-51
<b>Description:</b>	<b>Cross-Border Trade in Services and Investment</b> <ul style="list-style-type: none"><li>1. Only a resident of Canada or an institution in Canada may be designated as an expert examiner of cultural</li></ul>

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property for the purposes of the *Cultural Property Export and Import Act*.

2. For the purposes of this reservation:

**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;

**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.

<b>Sector:</b>	Professional services
<b>Sub-Sector:</b>	Patent Agents, Patent agents providing legal advisory and representation services.
<b>Classification:</b>	CPC 8921
<b>Type of Reservation:</b>	National Treatment (Article .) Market Access (Article )
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Patent Act</i> , R.S.C. 1985, c. P-4 <i>Patent Rules</i> , SOR/96-423
<b>Description:</b>	<b>Cross-Border Trade in Services</b>

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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.

<b>Sector:</b>	Professional services
<b>Sub-Sector:</b>	Trade-mark Agents, trade mark agents providing legal advisory and representation services in statutory procedures
<b>Industry Classification:</b>	CPC 8922
<b>Type of Reservation:</b>	National Treatment (Article .) Market Access (Article )
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Trade-marks Act</i> , R.S.C. 1985, c. T-13 <i>Trade-marks Regulations</i> , SOR/96-195

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**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.

**Sector:** Energy (Oil and Gas)

**Sub-Sector:** Crude Petroleum and Natural Gas Industries,  
Services incidental to mining

**Industry Classification:** CPC 120, 883

**Type of Reservation:** National Treatment (Article )

**Level of Government:** Federal

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**Measures:** *Canada Petroleum Resources Act*, R.S.C. 1985, c. 36 (2<sup>nd</sup> Supp.)  
*Territorial Lands Act*, R.S.C. 1985, c. T-7  
*Federal Real Property and Federal Immovables Act*, S.C. 1991, c. 50  
*Canada-Newfoundland Atlantic Accord Implementation Act*, S.C. 1987, c. 3  
*Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, S.C. 1988, c. 28

**Description:** **Investment**

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.

**Sector:** Energy (Oil and Gas)

**Sub-Sector:** Crude Petroleum and Natural Gas Industries  
CPC 883 Services incidental to mining

**Industry Classification:** CPC 120, 883

**Type of Reservation:** Performance Requirements (Article )

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National Treatment (CBTS)

**Level of Government:** Federal

**Measures:** *Canada Oil and Gas Production and Conservation Act*, R.S.C. 1985, c. O-7, as amended by the *Canada Oil and Gas Operations Act*, S.C. 1992, c. 35  
*Canada - Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, S.C. 1988, c. 28  
*Canada - Newfoundland Atlantic Accord Implementation Act*, S.C. 1987, c. 3  
Measures implementing the Canada-Yukon Oil and Gas Accord, including the *Canada-Yukon Oil and Gas Accord Implementation Act*, 1998, c.5, s. 20 and the *Oil and Gas Act*, 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 Canada-Quebec Gulf of St. Lawrence Petroleum Resources Accord

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

1. Under the *Canada Oil and Gas Operations Act*, a “benefits plan” must be approved by the Minister in order to be authorized to proceed with an oil and gas development project.
2. A “benefits plan” is 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.
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

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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.

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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.

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.

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<b>Sector:</b>	Energy (Oil and Gas)
<b>Sub-Sector:</b>	Crude Petroleum and Natural Gas Industries, Services incidental to mining
<b>Industry Classification:</b>	CPC 120, 883
<b>Type of Reservation:</b>	Performance Requirements (Article )
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Canada - Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 <i>Hibernia Development Project Act</i> , S.C. 1990, c. 41
<b>Description:</b>	<b>Investment</b>  <ol style="list-style-type: none"><li>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 the Schedule of Canada, Annex I at pages I-C-26-28.</li><li>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.</li></ol>

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<b>Sector:</b>	Energy (Uranium)
<b>Sub-Sector:</b>	Uranium Mines, Services incidental to mining
<b>Industry Classification:</b>	CPC 883
<b>Type of Reservation:</b>	National Treatment (Article ) Most-Favoured-Nation Treatment (Article )
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1st Supp.) <i>Investment Canada Regulations</i> , SOR/85-611 <i>Policy on Non-Resident Ownership in the Uranium Mining Sector</i> , 1987
<b>Description:</b>	<b>Investment</b>  <ol style="list-style-type: none"><li>1. Ownership by “non-Canadians”, as defined in the <i>Investment Canada Act</i>, of a uranium mining property is limited to 49 percent 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>.</li><li>2. Exemptions from the <i>Policy on Non Resident Ownership 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.</li><li>3. In considering a request for an exemption from the Policy from an investor of the European Union, Canada</li></ol>

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will not require that it be demonstrated that a Canadian partner cannot be found.

<b>Sector:</b>	Professional services
<b>Sub-Sector:</b>	Auditing
<b>Industry Classification:</b>	CPC 862
<b>Type of Reservation:</b>	National Treatment (Article ) <del>Most-Favoured-Nation Treatment (Article )</del>
<b>Level of Government:</b>	Federal
<b>Measures:</b>	<i>Bank Act</i> , S.C. 1991, c. 46 <i>Insurance Companies Act</i> , S.C. 1991, c. 47 <i>Cooperative Credit Associations Act</i> , S.C. 1991, c. 48 <i>Trust and Loan Companies Act</i> , S.C. 1991, c. 45
<b>Description:</b>	<b>Cross-Border Trade in Services</b>  1. Banks are required to have a firm of accountants to be auditors of the bank. A firm of accountants must be qualified as set out in the <i>Bank Act</i> . Among the qualifications required is that two or more members of the firm must be ordinarily resident in Canada and that the member of the firm jointly designated by the firm and the bank to conduct the audit must be ordinarily resident in Canada.  2. An insurance company, a cooperative credit association, and a trust or loan company require an auditor who can either be a natural person or a firm of accountants. An auditor of such an institution must be qualified as set out in the <i>Insurance Companies Act</i> , the <i>Cooperative Credit Associations Act</i> or the <i>Trust and Loan Companies Act</i> , as the case may be. In the case where a natural person is appointed to be the auditor of such a financial institution,

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among the qualifications required is that the person must be ordinarily resident in Canada. In the case where a firm of accountants is appointed to be the auditor of such a financial institution, the member of the firm jointly designated by the firm and the financial institution to conduct the audit must be ordinarily resident in Canada.

<b>Sector:</b>	Air Transportation
<b>Sub-Sector:</b>	Air transport services (passenger and freight), specialty air services (as set out in the Description section below) and courier services.
<b>Industry Classification:</b>	CPC 73, 7512, Specialty Air Services as defined below.
<b>Type of Reservation:</b>	National Treatment (Article ____ ) Market Access (Article ____) Senior Management and Board of Directors (Article ____)
<b>Measures:</b>	<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> , SOR/96-433: Part II, Subpart 2 -“Aircraft Markings & Registration”; Part IV “Personnel Licensing & Training”; and Part VII “Commercial Air Services”
<b>Description:</b>	<b>Investment</b>

The *Canada Transportation Act*, in Section 55, defines “Canadian” in the following manner:

*"... 'Canadian' means a Canadian citizen or a permanent resident within the meaning of the Immigration and Refugee Protection Act, a government in Canada or an agent of such a government or a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by*

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*Canadians and of which at least seventy-five per cent, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by  
Canadians..."*

Regulations made under the *Aeronautics Act* incorporate by reference the definition of “Canadian” found in the *Canada Transportation Act*. 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”.

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 *Canada Transportation Act*;
- (d) “specialty air services” (include, but are not limited to: aerial mapping, aerial surveying, aerial photography, forest fire management, fire-fighting,

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aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing and aerial crop spraying).

No foreign individual is qualified to be the registered owner of a Canadian-registered aircraft.

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 percent) 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. Such foreign-registered private aircraft would be limited to private use, as would be the case for Canadian-registered aircraft requiring a private operating certificate.

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<b>Sector:</b>	Air Transportation
<b>Sub-Sector:</b>	Aircraft repair and maintenance services, and ground handling services (line maintenance only) (as defined in the Chapters on Cross-Border Trade in Services [and Investment
<b>Industry Classification:</b>	Aircraft repair and maintenance and ground handling services (line maintenance only) as defined in the Chapters on Cross-Border Trade in Services and Investment
<b>Type of Reservation:</b>	National Treatment (Article ____) Market Access (Article ____)
<b>Measures:</b>	<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”
<b>Description:</b>	<b>Cross-Border Trade in Services</b>  Aircraft and other aeronautical product repair, overhaul or maintenance activities (including line maintenance) required to maintain the airworthiness of Canadian-registered aircraft and other aeronautical products must be performed by persons meeting Canadian aviation regulatory requirements (i.e., approved maintenance organizations and aircraft maintenance engineers). Certifications are not provided for persons located outside Canada, except sub-organizations of approved maintenance organizations that are themselves located in Canada.

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<b>Sector:</b>	Land Transportation
<b>Sub-Sector:</b>	Scheduled and non-scheduled passenger and freight transportation by road, including courier services.
<b>Industry Classification:</b>	CPC 7121, 7122, 7123, 7512
<b>Type of Reservation:</b>	National Treatment (Article ____) Market Access (Article ____)
<b>Measures:</b>	<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
<b>Description:</b>	<b>Cross-Border Trade in Services</b>  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.

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<b>Sector:</b>	Water Transportation
<b>Sub-Sector:</b>	Water transport services (passengers and freight) by sea-going and non-sea-going vessels, supporting and other services for water transport, construction for waterways, harbors, dams and other water works, and any other commercial marine activity undertaken from a vessel.
<b>Industry Classification:</b>	CPC 721, 722, 745, 5133, 5223, any other commercial marine activity undertaken from a vessel
<b>Type of Reservation:</b>	National Treatment (Articles ___ and ___) Market Access (Articles ___ and ___) Obligations (Article X.02) (IMTS)
<b>Measures:</b>	<i>Canada Shipping Act, 2001, S.C. 2001, c. 26</i>
<b>Description:</b>	<b>Cross-Border Trade in Services, Investment, and International Maritime Transport Services</b>  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 laws of Canada or a province or territory,

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- (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 laws 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 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 laws of Canada or a province or territory.

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<b>Sector:</b>	Water Transportation
<b>Sub-Sector:</b>	Water transport services (passengers and freight) by sea-going and non-sea-going vessels, supporting and other services for water transport, construction for waterways, harbors, dams and other water works and any other commercial marine activity undertaken from a vessel
<b>Industry Classification:</b>	CPC 721, 722, 745, 5133, 5223, any other commercial marine activity undertaken from a vessel
<b>Type of Reservation:</b>	National Treatment (Article ____) Market Access (Article ____) Obligations (Article X.02) (IMTS)
<b>Measures:</b>	<i>Canada Shipping Act, 2001, S.C. 2001, c. 26</i> <i>Marine Personnel Regulations, SOR/2007-115</i>
<b>Description:</b>	<b>Cross-Border Trade in Services and International Maritime Transport Services</b>  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. Such certificates may be granted only to Canadian citizens or permanent residents.

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<b>Sector:</b>	Water Transportation
<b>Sub-Sector:</b>	Pilotage and berthing services
<b>Industry Classification:</b>	CPC 74520
<b>Type of Reservation:</b>	National Treatment (Article ____) Market Access (Article ____) Obligations (Article X.02) (IMTS)
<b>Measures:</b>	<i>Pilotage Act</i> , R.S.C., 1985, c. P-14 <i>General Pilotage Regulations</i> , SOR/2000-132 <i>Atlantic Pilotage Authority Regulations</i> , C.R.C., c. 1264 <i>Laurentian Pilotage Authority Regulations</i> , C.R.C., c. 1268 <i>Great Lakes Pilotage Regulations</i> , C.R.C., c. 1266 <i>Pacific Pilotage Regulations</i> , C.R.C., c. 1270
<b>Description:</b>	<b>Cross-Border Trade in Services and International Maritime Transport Services</b>  Subject to the Schedule of Canada, Annex II, at pages____, 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 Canadian citizens or permanent residents 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

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citizen within five years of receipt of such licence or  
pilotage certificate in order to retain it.

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<b>Sector:</b>	Water Transportation
<b>Sub-Sector:</b>	Transportation services by sea-going and non-sea-going vessels
<b>Industry Classification:</b>	CPC 721, 722
<b>Type of Reservation:</b>	Market Access (Article ____) Obligations (Article X.02) (IMTS)
<b>Measures:</b>	<i>Shipping Conferences Exemption Act</i> , 1987, R.S.C. 1985, c.17 (3rd Supp.)
<b>Description:</b>	<b>Cross-Border Trade in Services and International Maritime Transport Services</b>

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.

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<b>Sector:</b>	Water Transportation
<b>Sub-Sector:</b>	Transportation services by sea-going and non-sea-going vessels
<b>Industry Classification:</b>	CPC 721, 722
<b>Type of Reservation:</b>	Most-Favoured-Nation Treatment (Article ____) Obligations (Article X.02) (IMTS)
<b>Measures:</b>	<i>Coasting Trade Act</i> , S.C. 1992, c. 31
<b>Description:</b>	<b>Cross-Border Trade in Services and International Maritime Transport Services</b>  The prohibitions under the <i>Coasting Trade Act</i> , set out in Schedule of Canada, Annex II, at pages ____, do not apply to any vessel that is owned by the U.S. Government when used solely for the purpose of transporting goods owned by the U.S. Government from the territory of Canada to supply Distant Early Warning sites.

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**Sector:** Land Transportation

**Sub-Sector:** Scheduled/non-scheduled passenger  
transportation by road

**Industry Classification:** CPC 7121, 7122

**Type of Reservation:** National Treatment (Articles\_\_\_\_ and \_\_\_\_)  
Market Access (Articles\_\_\_\_ and \_\_\_\_)

**Measures:** *Motor Vehicle Transport Act*, R.S.C. 1985, c. 29  
(3<sup>rd</sup> Supp.), as amended by S.C. 2001, c. 13.

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

Provincial agencies have been delegated authority to permit persons to provide extra-provincial (inter-provincial and cross-border) bus services in their respective provinces and territories on the same basis as local bus services. Most provincial agencies permit the provision of local bus services on the basis of a public convenience and necessity test.

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<b>Sector:</b>	Transportation
<b>Sub-Sector:</b>	All transportation sub-sectors
<b>Industry Classification:</b>	CPC 7
<b>Type of Reservation:</b>	Market Access (Article ____)
<b>Measures:</b>	<i>Canada Transportation Act</i> (S.C. 1996, c. 10)
<b>Description:</b>	<b>Investment</b>  Pursuant to the <i>Canada Transportation Act</i> , any proposed transaction that involves a transportation undertaking that raises issues with respect to the public interest as it relates to national transportation as determined by the Minister requires approval by the Governor in Council.

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<b>Sector:</b>	Postal Services
<b>Sub-sector:</b>	Postal services, mail transportation by any mode of transport.
<b>Industry Classification:</b>	CPC 7511, 7321, 71124, 71235
<b>Type of Reservation:</b>	Market Access (Article___)
<b>Measures:</b>	<i>Canada Post Corporation Act</i> , R.S.C., 1985, c. C-10 <i>Letter Definition Regulations</i> , SOR/83-481
<b>Description:</b>	<b>Cross-Border Trade in Services and Investment</b>

The sole and exclusive privilege of collecting, transmitting and delivering letters (as defined in the *Letter Definition Regulations*, SOR/83-481) within Canada is reserved for the postal monopoly.

For greater certainty, activities relating to the exclusive privilege may also be restricted, including the issuance of postage stamps and the installation, erection or relocation in any public place of any mail receptacle or device to be used for the collection, delivery or storage of mail.

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