

# LIMITED

## CETA INVESTMENT AND SERVICES HEADNOTE

31 July 2014

### Annex I

#### **Reservations for Existing Measures and Liberalisation Commitments**

1. The Schedule of a Party sets out, under Articles X.14 (Investment - Reservations and Exceptions), X-06 (Cross-Border Trade in Services – Reservations), X-03 (International Maritime Transport Services – Non-Conforming Measures), and, for the EU, X.9 (Financial Services – Non-Conforming Measures), the reservations taken by that Party with respect to existing measures of a Party that do not conform with obligations imposed by:

Articles X.6 (Investment - National Treatment), X-03 (Cross-Border Trade in Services - National Treatment) or, for the EU, X.03 (Financial Services – National Treatment);

Articles X.7 (Investment - Most-Favoured-Nation Treatment), X-04 (Cross-Border Trade in Services - Most-Favoured-Nation Treatment) or, for the EU, X.04 (Financial Services – Most-Favoured-Nation Treatment);

Article X.4 (Investment - Market Access), X-05 (Cross-Border Trade in Services - Market Access) or, for the EU, X.06 (Financial Services – Market Access);

Article X.5 (Investment - Performance Requirements);

Article X.8 (Investment - Senior Management and Boards of Directors) or, for the EU, X.08 (Financial Services – Senior Management and Board of Directors);

For the EU, Article X.07 (Financial Services – Cross-Border Supply of Financial Services); or

Article X.02 (International Maritime Transport Services – Obligations)

and, in certain cases, sets out commitments for immediate or future liberalisation.

**The reservations of a Party are without prejudice to the rights and obligations of the Parties under the GATS.**

2. Each reservation sets out the following elements:

(a) Sector refers to the general sector in which the reservation is taken;

(b) Sub-Sector refers to the specific sector in which the reservation is taken;

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(c) Industry Classification refers, where applicable, to the activity covered by the reservation according to CPC codes, ISIC codes, SIC codes, or as expressly otherwise described in a Party's reservation;

(d) Type of Reservation specifies the obligation referred to in paragraph 1 for which a reservation is taken;

(e) Level of Government indicates the level of government maintaining the measure for which a reservation is taken;

(f) Measures identifies the laws, regulations or other measures, as qualified, where indicated, by the Description element, for which the reservation is taken. A measure cited in the Measures element:

(i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement, and

(ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

(iii) includes:

a) for EU Directives, any laws, regulations or other measures which implement the Directive at Member State level;

b) for Canada, any laws, regulations or other measures at the national or sub-national level that implement agreements between the federal government and provinces and territories.

(g) Description sets out the non-conforming aspects of the existing measure for which the reservation is taken. It may also set out commitments for liberalization.

(h) Phase-Out sets out commitments, if any, for liberalisation after the date of entry into force of this Agreement.

3. In the interpretation of a reservation, all elements of the reservation [are][shall be] considered. A reservation [is][shall be] interpreted in the light of the relevant provisions of the Chapters against which the reservation is taken. To the extent that:

(a) the Phase-Out element provides for the phasing out of non-conforming aspects of measures, the Phase-Out element shall prevail over all other elements;

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(b) 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

(c) the Measures element is not so qualified, the Measure element prevails over other elements, unless a discrepancy between the Measure element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the Measure element prevails, in which case the other elements prevail to the extent of that discrepancy. A reservation is interpreted in the light of the relevant provisions of the Articles against which the reservation is taken.

4. Where a Party maintains a measure that requires that a service provider be a natural person, citizen, permanent resident or resident of its territory as a condition to the provision of a service in its territory, a reservation for that measure taken with respect to cross-border services shall operate as a reservation with respect to investment, to the extent of that measure.

5. For purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991;

ISIC rev 3.1 means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 4, ISIC REV 3.1, 2002;

SIC means Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, Standard Industrial Classification, fourth edition, 1980.

6. The following abbreviations are used in the Schedule:

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark

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EU	European Union
ES	Spain
EE	Estonia
FI	Finland
FR	France
EL	Greece
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SK	Slovakia
SI	Slovenia
SE	Sweden
UK	United Kingdom

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## CETA INVESTMENT AND SERVICES HEADNOTE

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### Annex II

#### Reservations for Future Measures

1. The Schedule of a Party sets out, under Articles XX (Investment - Reservations and Exceptions), X-06 (Cross-Border Trade in Services - Reservations), X-03 (International Maritime Transport Services – Non-Conforming Measures), and, for the EU, X.9 (Financial Services – Non-Conforming Measures), the reservations taken by that Party with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

(a) Article X.6 (Investment - National Treatment) X-02 (Cross-Border Trade in Services - National Treatment) or, for the EU, X.03 (Financial Services – National Treatment);

(b) Article X.7 (Investment - Most-Favoured-Nation Treatment) X-04 (Cross-Border Trade in Services - Most-Favoured-Nation Treatment) or, for the EU, X.04 (Financial Services – Most-Favoured-Nation Treatment);

(c) Article X.4 (Investment -Market Access) X-05 (Cross-Border Trade in Services - Market Access) or, for the EU, X.06 (Financial Services – Market Access);

(d) Article X.5 (Investment - Performance Requirements);

(e) Article X.8 (Investment - Senior Management and Boards of Directors) or, for the EU, X.08 (Financial Services – Senior Management and Board of Directors);

(f) For the EU, Article X.07 (Financial Services – Cross-Border Supply of Financial Services); or

(g) Article X.02 (International Maritime Transport Services – Obligations).

**The reservations of a Party are without prejudice to the rights and obligations of the Parties under the GATS.**

2. Each reservation sets out the following elements:

(a) Sector refers to the general sector in which the reservation is taken;

(b) Sub-Sector refers to the specific sector in which the reservation is taken;

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(c) Industry Classification refers, where applicable, to the activity covered by the reservation according to CPC codes, ISIC codes, SIC codes, or as expressly otherwise described in a Party's reservation;

(d) Type of Reservation specifies the obligation referred to in paragraph 1 for which a reservation is taken;

(e) Description sets out the scope of the sector, sub-sector or activities covered by the reservation; and

(f) Existing Measures identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

3. In interpreting a reservation, all elements of the reservation [are] [shall be] considered. The Description element [prevails] [shall prevail] over all other elements.

4. A reservation taken at the level of the European Union applies to a measure of any EU Member State at the national level as well as a measure of a government within a EU Member State, unless the reservation excludes a EU Member State. A reservation taken at the national level by Canada or by an EU Member State applies to a measure of a government at regional, provincial, territorial or local level within that country.

5. Where a Party maintains a measure that requires that a service provider be a natural person, citizen, permanent resident or resident of its territory, as a condition to the provision of a service in its territory, a reservation for that measure taken with respect to cross-border services shall be applied as a reservation with respect to investment, to the extent of that measure.

6. For purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991;

ISIC rev 3.1 means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 4, ISIC REV 3.1, 2002;

SIC means Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, Standard Industrial Classification, fourth edition, 1980.

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7. The following abbreviations are used in the Schedule:

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EU	European Union, including all its Member States
ES	Spain
EE	Estonia
FI	Finland
FR	France
EL	Greece
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SK	Slovakia
SI	Slovenia
SE	Sweden
UK	United Kingdom