

ANNEX I

Schedule of Canada

Reservations for Existing Measures and Liberalization Commitments

1. The Schedule of a Party sets out, pursuant to Articles 10.9 (Investment - Reservations and Exceptions) and 11.7 (Cross-Border Trade in Services - Reservations) the reservations taken by that Party with respect to existing measures by a Party that do not conform with obligations imposed by:

- (a) Articles 10.4 (Investment – National Treatment) or 11.3 (Cross-Border Trade in Services – National Treatment);
- (b) Articles 10.5 (Investment – Most-Favoured-Nation Treatment) or 11.4 (Cross-Border Trade in Services – Most-Favoured-Nation Treatment);
- (c) Article 11.5 (Cross-Border Trade in Services – Local Presence);
- (d) Article 10.7 (Investment – Performance Requirements);
- (e) Article 10.8 (Investment – Senior Management and Boards of Directors);
or
- (f) Article 11.6 (Cross-Border Trade in Services – Market Access).

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;
- (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to industry classification codes;

- (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
- (e) **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;
- (f) **Description** sets out the non-conforming aspects of the existing measures for which the reservation is taken. It may also set out commitments for liberalization.

3. In the interpretation of a reservation, all elements of the reservation, with the exception of Industry Classification, shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Articles against which the reservation is taken. To the extent that:

- (a) the **Measures** element is qualified by a liberalization commitment from the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and
- (b) the **Measures** element is not so qualified, the **Measures** element shall prevail over all other elements, unless any discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

4. Where a Party maintains a measure that requires a service provider be a 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 Article 11.3, 11.4 or 11.5 (Cross-Border Trade in Services – National Treatment, Most-Favoured-Nation Treatment or Local Presence) shall operate as a reservation with respect to Article 10.4, 10.5 or 10.7 (Investment – National Treatment, Most-Favoured-Nation Treatment or Performance Requirements) to the extent of that measure.

5. The listing of a measure in this Annex is without prejudice to a future claim that Annex II may apply to the measure or some application of the measure.

6. For purposes of this Annex:

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

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

ANNEX I

Schedule of Canada

Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Article 10.4) Performance Requirements (Article 10.7) Senior Management and Boards of Directors (Article 10.8)
Measures:	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1 st Supp.) <i>Investment Canada Regulations</i> , SOR/85-611, as qualified by paragraphs 8 through 12 of the Description element
Description:	<u>Investment</u> 1. Under the <i>Investment Canada Act</i> , the following acquisitions of Canadian businesses by non-Canadians are subject to review by the Director of Investments: (a) a direct acquisition of a Canadian business with assets of CAD\$5 million or more; (b) an indirect acquisition of a Canadian business with assets of CAD\$50 million or more; and

(c) an indirect acquisition of a Canadian business with assets between CAD\$5 million and CAD\$50 million that represent more than 50% of the value of the assets of all the entities the control of which is being acquired, directly or indirectly, in the transaction in question.

2. For the purposes of this reservation:

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 provided for in the *Investment Canada Act*.

3. 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.

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 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 a sub-national government that is likely to be significantly affected by the investment; and
- (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 which 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, as described above, must notify the Director of Investments.

7. The Director of Investments will review an “acquisition of control”, as defined in the *Investment Canada Act*, of a Canadian business by an investor of Honduras if the value of the gross assets of the Canadian business is not less than the applicable threshold.

8. The higher review threshold, as set out in paragraph 13, does not apply to the cultural businesses sector.

9. Notwithstanding the definition of “investor of a Party” in Article 10.1 (Investment – Definitions), only an investor who is a national of Honduras, or an entity controlled by nationals of Honduras as provided for in the *Investment Canada Act*, may benefit from the higher review threshold.

10. An indirect “acquisition of control” of a Canadian business by an investor of Honduras in the cultural business sector is not reviewable.

11. Notwithstanding Article 10.7 (Investment – Performance Requirements), Canada may impose requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, conduct or operation of an investment of an investor of Honduras or of a non-Party for the transfer of technology, production process or other proprietary knowledge to a national or enterprise, affiliated to the transferor, in Canada, in connection with the review of an acquisition of an investment under the *Investment Canada Act*.

12. Except for requirements, commitments or undertakings relating to technology transfer as set out in paragraph 11 of this reservation, Article 10.7 (Investment – Performance Requirements) applies to requirements, commitments or undertakings imposed or enforced under the *Investment Canada Act*. Article 10.7 (Investment – Performance Requirements) shall not be construed to apply to a requirement, commitment or undertaking imposed or enforced in connection with a review under the *Investment Canada Act*, to locate production, carry out research and development, employ or train workers, or to construct or expand particular facilities, in Canada.

13. For an investor of Honduras, the applicable threshold for review of a direct acquisition of control of a Canadian business is CAD\$344 million for the year 2013. In January of each subsequent year the amount is determined by the Minister using the following formula:

$$\text{Annual Adjustment} = \frac{\text{Current Nominal GDP at Market Prices}}{\text{Nominal GDP Previous Year at Market Prices}} \times \text{amount determined for previous year}$$

Current Nominal GDP at Market Prices means the average of the Nominal Gross Domestic Products at Market Prices for the most recent four consecutive quarters.

Previous Year Nominal GDP at Market Prices means the average of the Nominal Gross Domestic Products for the four consecutive quarters for the comparable period in the year preceding the year used in calculating the “Current Nominal GDP at Market Prices”.

For the above mentioned purposes, the amounts will be rounded to the nearest million in Canadian dollars.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 10.4)
Senior Management and Boards of Directors (Article 10.8)

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

Description: Investment

Canada or a sub-national government, when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of those interests or assets, and on the ability of owners of those interests or assets to control a resulting enterprise, by investors of Honduras or of a non-Party or their investments. With respect to that sale or other disposition, Canada or a sub-national government may adopt or maintain a measure relating to the nationality of senior management or members of the board of directors.

For the purposes of this reservation:

- (a) **measure** means 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 and shall be deemed to be an existing measure; and

- (b) **state enterprise** means an enterprise owned or controlled through ownership interests by Canada or a sub-national government 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.

Phase-Out: None

Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Article 10.4)
Measures:	<p><i>Canada Business Corporations Act</i>, R.S.C. 1985, c. C-44</p> <p><i>Canada Business Corporations Regulations, 2001</i>, SOR/2001-512</p> <p><i>Canada Corporations Act</i>, R.S.C. 1970, c. C-32</p>
Description:	<p><u>Investment</u></p> <p>1. The <i>Canada Business Corporations Act</i> provides that constraints may be placed on the issue, transfer and ownership of shares in a federally incorporated corporation. The object of those constraints is to permit a corporation to meet Canadian ownership requirements, under certain laws set out in the <i>Canada Business Corporations Regulations, 2001</i>, in sectors where ownership or control is required as a condition to operate or to receive licenses, 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.</p> <p>2. For the purposes of this reservation, Canadian means "Canadian" as defined in the <i>Canada Business Corporations Regulations, 2001</i>.</p>
Phase-Out:	None

Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Senior Management and Boards of Directors (Article 10.8)
Measures:	<p><i>Canada Business Corporations Act</i>, R.S.C. 1985, c. C-44</p> <p><i>Canada Business Corporations Regulations, 2001</i>, SOR/2001-512</p> <p><i>Canada Corporations Act</i>, R.S.C. 1970, c. C-32</p> <p>Special Acts of Parliament incorporating specific companies</p>
Description:	<u>Investment</u>

1. The *Canada Business Corporations Act* requires, for most federally-incorporated corporations, that 25% of directors be resident Canadians. A simple majority of resident Canadian directors is required for corporations in the following sectors: uranium mining; book publishing or distribution; book sales (if 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 Canadians directors.

2. For the purposes of the *Canada Business Corporations Act*, **resident Canadian** means a natural person who is a Canadian citizen ordinarily resident in Canada, a citizen who is a member of a class set out in the *Canada Business Corporations Regulations, 2001*, 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 1 year after becoming eligible to apply for Canadian citizenship.

3. In the case of a holding corporation, not more than 1/3 of the directors need be resident Canadians if the earnings in Canada of the holding corporation and its subsidiaries are less than 5% of the gross earnings of the holding corporation and its subsidiaries.

4. Under Part IV of the *Canada Corporations Act*, a simple majority of the elected directors of a Special Act corporation must be resident in Canada and citizens of a Commonwealth country. This requirement applies to every joint stock company incorporated subsequent to 22 June 1869 by any Special Act of Parliament.

Phase-Out:

None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 10.4)

Measures: *Citizenship Act*, R.S.C. 1985, c. C-29
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 *Alberta 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 not more than 2 parcels containing, in the aggregate, not more than 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 foreign government agency; or
- (c) a corporation incorporated elsewhere than in 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.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 10.4)

Measures: *Air Canada Public Participation Act*, R.S.C. 1985, c. 35
(4th Supp.)
Canadian Arsenals 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 other companies the restrictions may apply in the aggregate. If there are limits on the percentage that an individual Canadian investor can own, these limits also apply to non-residents. The restrictions are as follows:

- 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;
- Canadian Arsenals Limited: 25% in the aggregate.

2. For the purposes of this reservation, **non-resident** includes:

- (a) a natural person, other than a Canadian citizen, who is not ordinarily resident in Canada;
- (b) a corporation incorporated, formed or otherwise organized outside Canada;
- (c) the government of a foreign State or any political subdivision of a government or foreign State, or a person empowered to perform a function or duty on behalf of such a government;
- (d) a corporation that is controlled directly or indirectly by 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 a majority of whom are resident in Canada, or

(ii) in which an entity referred to in subparagraphs (a) through (d) have 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).

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Local Presence (Article 11.5)

Measures: *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*.

Phase-Out: None

Sector:	Business Service Industries
Sub-Sector:	Customs Brokers
Industry Classification:	SIC 7794 Customs Brokers CPC 749 Other supporting and auxiliary transport services
Type of Reservation:	National Treatment (Article 11.3) Local Presence (Article 11.5) Senior Management and Boards of Directors (Article 10.8)
Measures:	<i>Customs Act, R.S.C. 1985, c. 1 (2nd Supp.)</i> <i>Customs Brokers Licensing Regulations, SOR/86-1067</i>
Description:	<u>Cross-Border Trade in Services and Investment</u> To be a licensed customs broker in Canada: <ul style="list-style-type: none"> (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.
Phase-Out:	None

Sector:	Business Service Industries
Sub-Sector:	Duty Free Shops
Industry Classification:	SIC 6599 Other Retail Stores, Not Elsewhere Classified (limited to duty free shops) CPC 631, 632 (limited to duty free shops)
Type of Reservation:	National Treatment (Article 10.4) National Treatment (Article 11.3) Local Presence (Article 11.5)
Measures:	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2 nd Supp.) <i>Duty Free Shop Regulations</i> , SOR/86-1072
Description:	<u>Cross-Border Trade in Services and Investment</u> 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 (d) have resided in Canada for at least 183 days of the year preceding the year of application for the license.

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.

Phase-Out: None

Sector:	Business Service Industries
Sub-Sector:	Examination Services relating to the Export and Import of Cultural Property
Industry Classification:	<p>SIC 999 Other Services, Not Elsewhere Classified (limited to cultural property examination services)</p> <p>CPC 96321 Museum services except for historical sites and buildings (limited to cultural property examination services)</p> <p>CPC 87909 Other business services n.e.c. (limited to cultural property examination services)</p>
Type of Reservation:	Local Presence (Article 11.5)
Measures:	<i>Cultural Property Export and Import Act</i> , R.S.C. 1985, c. C-51
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>1. Only a resident of Canada or an institution in Canada may be designated as an expert examiner of cultural property for purposes of the <i>Cultural Property Export and Import Act</i>.</p> <p>2. For the purposes of this reservation:</p> <p>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;</p>

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.

Phase-Out: None

Sector:	Business Service Industries
Sub-Sector:	Patent Agents
Industry Classification:	SIC 999 Other Services, Not Elsewhere Classified (limited to patent agency)
	CPC 8921 (Patents)
Type of Reservation:	National Treatment (Article 11.3) Local Presence (Article 11.5)
Measures:	<i>Patent Act</i> , R.S.C. 1985, c. P-4 <i>Patent Rules</i> , SOR/96-423
Description:	<u>Cross-Border Trade in Services</u> 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.
Phase-Out:	None

Sector:	Business Service Industries
Sub-Sector:	Trade-mark Agents
Industry Classification:	SIC 999 Other Services, Not Elsewhere Classified (limited to trade-mark agency)
	CPC 8922 (Trademarks)
Type of Reservation:	National Treatment (Article 11.3) Local Presence (Article 11.5)
Measures:	<i>Trade-marks Act</i> , R.S.C. 1985, c. T-13 <i>Trade-marks Regulations</i> , SOR/96-195; SOR/2007-91, s.1
Description:	<u>Cross-Border Trade in Services</u> To represent a person in the presentation and prosecution of an application for a trade-mark or in other business before the Trade-mark Office a trade-mark agent must be resident in Canada and registered by the Trade-marks Office.
Phase-Out:	None

Sector:	Energy
Sub-Sector:	Oil and Gas
Industry Classification:	SIC 071 Crude Petroleum and Natural Gas Industries CPC 883 Services incidental to mining
Type of Reservation:	National Treatment (Article 10.4)
Measures:	<i>Canada Petroleum Resources Act</i> , R.S.C. 1985, c. 36 (2 nd Supp.) <i>Territorial Lands Act</i> , R.S.C. 1985, c. T-7 <i>Federal Real Property and Federal Immovables Act</i> , S.C. 1991, c. 50 <i>Canada-Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 <i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i> , S.C. 1988, c. 28 <i>Canada Oil and Gas Land Regulations</i> , C.R.C., c. 1518
Description:	<u>Investment</u> 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 or gas production licence or shares in oil or gas production licences for discoveries made after 5 March 1982 must be a corporation incorporated in Canada.

3. The Canadian ownership requirements for oil and gas production licenses for discoveries made before 5 March 1982 are set out in the *Canada Oil and Gas Land Regulations*.

Phase-Out: None

Sector:	Energy
Sub-Sector:	Oil and Gas
Industry Classification:	SIC 071 Crude Petroleum and Natural Gas Industries CPC 883 Services incidental to mining
Type of Reservation:	Performance Requirements (Article 10.7) Local Presence (Article 11.5)
Measures:	<i>Canada Oil and Gas Operations Act</i> , R.S.C. 1985, c. O-7 <i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i> , S.C. 1988, c. 28 <i>Canada-Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 Measures implementing the <i>Accord between the Government of Canada and the Government of Yukon on Oil and Gas Revenue Sharing and Resource Management</i> Measures implementing Northwest Territories Oil and Gas Accord
Description:	<u>Cross-Border Trade in Services and Investment</u> 1. Under the <i>Canada Oil and Gas Operations Act</i> , 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 a proposed work or activity referred to in the benefits plan.

3. The benefits plan contemplated in the *Canada Oil and Gas Operations Act* permits the Minister to impose on the applicant an additional requirement to ensure that disadvantaged individuals or groups have access to training and employment opportunities or can participate in the supply of goods and services used in any proposed work referred to in the benefits plan.

4. 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 ensure 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 a 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.

5. 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 the 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.

6. 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.

7. Similar provisions will be included in laws or regulations to implement the *Accord between the Government of Canada and the Government of Yukon on Oil and Gas Revenue Sharing and Resource Management* and Northwest Territories Oil and Gas Accord. For the purposes of this reservation, these accords shall be deemed, once concluded, to be an existing measure.

Phase-Out:

None

Sector:	Energy
Sub-Sector:	Oil and Gas
Industry Classification:	SIC 071 Crude Petroleum and Natural Gas Industries CPC 883 Services incidental to mining
Type of Reservation:	Performance Requirements (Article 10.7)
Measures:	<i>Canada-Newfoundland Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 <i>Hibernia Development Project Act</i> , S.C. 1990, c. 41
Description:	<u>Investment</u> 1. Under the <i>Hibernia Development Project Act</i> , Canada and the Hibernia Project Owners may enter into agreements in which the Project Owners 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 “benefit 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-CA-30-32. 2. In addition, Canada may, in connection with the Hibernia project, impose 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.
Phase-Out:	None

Sector:	Energy
Sub-Sector:	Uranium
Industry Classification:	SIC 0616 Uranium Mines CPC 883 Services incidental to mining
Type of Reservation:	National Treatment (Article 10.4) Most-Favoured-Nation Treatment (Article 10.5)
Measures:	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1 st Supp.) <i>Investment Canada Regulations</i> , SOR/85-611 Policy on Non Resident Ownership in the Uranium Mining Sector, 1987
Description:	<u>Investment</u> 1. Ownership by a non-Canadian, as defined in the <i>Investment Canada Act</i> , of a uranium mining property is limited to 49% at the stage of first production. Exceptions to this limit may be permitted if it can be established that the property is in fact “Canadian controlled” as defined in the <i>Investment Canada Act</i> . 2. Exemptions from the Policy on Non-Resident Ownership in the Uranium Mining Sector 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 a non-Canadian made prior to 23 December 1987, which are beyond the permitted ownership level, may remain in place. An increase in non-Canadian ownership is not permitted.
Phase-Out:	None

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Professional Services
Industry Classification:	CPC 862 Auditing Services
Type of Reservation:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Local Presence (Article 11.5)
Measures:	<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
Description:	<u>Cross-Border Trade in Services</u> 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: two or more members of the firm must be ordinarily resident in Canada, and the member of the firm jointly designated by the firm and the bank conducting 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 be either a natural person or a firm of accountants. An auditor of the institution must be qualified as set out in the *Insurance Companies Act*, the *Cooperative Credit Associations Act* or the *Trust and Loan Companies Act*. If a natural person is appointed as the auditor of that financial institution, among the qualifications required is that the person must be ordinarily resident in Canada. If a firm of accountants is appointed to be the auditor of that 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.

Phase-Out:

None

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 451 Air Transport Industries CPC 731 Passenger transportation by air CPC 732 Freight transportation by air Specialty air services, as set out in the Description section below
Type of Reservation:	National Treatment (Article 10.4)
Measures:	<i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , SOR/96-433: Part II, Subpart 2, “Aircraft Markings and Registration”; Part IV “Personnel Licensing and Training”; and Part VII “Commercial Air Services”.
Description:	<u>Investment</u> 1. Regulations made under the <i>Aeronautics Act</i> incorporate by reference the definition of “Canadian” found in the <i>Canada Transportation Act</i> . 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.

2. Only a Canadian 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) if those services are 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) if those services are 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, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing and aerial crop spraying.

3. A foreign person may not own a Canadian-registered aircraft for private use.

4. A corporation incorporated in Canada that does not meet the Canadian ownership and control requirements may only register an aircraft for private use when the corporation is the sole owner of the aircraft. The *Canadian Aviation Regulations* also have the effect of limiting non-Canadian corporations operating foreign-registered private aircraft within Canada to the carriage of their own employees.

5. For the purposes of this reservation, “Canadian” has the meaning set out in Section 55 of the *Canada Transportation Act* and incorporated by reference in regulations made under the *Aeronautics Act*:

“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 that government, or a corporation or other entity that is incorporated or formed under the laws of Canada or a sub-national government, that is controlled in fact by Canadians and of which at least 75% or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians.

Phase-Out:

None

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 4523 Aircraft Servicing Industry SIC 3211 Aircraft and Aircraft Parts Industry Not CPC defined: Aircraft repair and maintenance services, as defined in the Cross-Border Trade in Services Chapter.
Type of Reservation:	Local Presence (Article 11.5)
Measures:	<i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , SOR/96-433: Part IV “Personnel Licensing and Training”; Part V “Airworthiness”; Part VI “General Operating and Flight Rules”; and Part VII “Commercial Air Services”.
Description:	<u>Cross-Border Trade in Services</u> Aircraft and other aeronautical product repair, overhaul or maintenance activities required to maintain the airworthiness of Canadian-registered aircraft and other aeronautical products, must be performed by Canadian-certified persons (that is, 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.
Phase-Out:	None

Sector:	Transportation
Sub-Sector:	Land Transportation
Industry Classification:	<p>SIC 456 Truck Transport Industries</p> <p>SIC 4572 Interurban and Rural Transit Systems Industry</p> <p>SIC 4573 School Bus Operations Industry</p> <p>SIC 4574 Charter and Sightseeing Bus Services Industry</p> <p>CPC 7121 Other scheduled passenger transportation by land other than by railway</p> <p>CPC 7122 Other non-scheduled passenger transportation by land other than by railway</p> <p>CPC 7123 Freight transportation by land other than by railway</p>
Type of Reservation:	<p>National Treatment (Article 11.3)</p> <p>Local Presence (Article 11.5)</p>
Measures:	<p><i>Motor Vehicle Transport Act</i>, R.S.C. 1985, c. 29 (3rd Supp.), as amended by S.C. 2001, c. 13</p> <p><i>Canada Transportation Act</i>, S.C. 1996, c. 10</p> <p><i>Customs Tariff</i>, S.C. 1997, c. 36</p>

Description: Cross-Border Trade in Services

Only a person of Canada using Canadian-registered and Canadian-built or duty-paid trucks or buses, may provide truck or bus services between points in the territory of Canada.

Phase-Out: None

Sector:	Transportation
Sub-Sector:	Water Transportation
Industry Classification:	<p>SIC 4541 Freight and Passenger Water Transport Industry</p> <p>SIC 4542 Ferry Industry</p> <p>SIC 4543 Marine Towing Industry</p> <p>SIC 4549 Other Water Transport Industries</p> <p>SIC 4553 Marine Salvage Industry</p> <p>SIC 4559 Other Service Industries Incidental to Water Transport</p> <p>CPC 721 Transport services by sea-going vessels</p> <p>CPC 722 Transport services by non-seagoing vessels</p> <p>CPC 74540 Vessel salvage and refloating services</p> <p>CPC 74590 Other supporting services for water transport</p>
Type of Reservation:	<p>National Treatment (Article 10.4)</p> <p>National Treatment (Article 11.3)</p> <p>Local Presence (Article 11.5)</p>
Measures:	<i>Canada Shipping Act, 2001, S.C. 2001, c. 26</i>

Description:

Cross-Border Trade in Services and Investment

1. To register a ship in Canada, the owner of that ship or the person who has exclusive possession of that ship 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 domestic law of Canada or sub-national government; or
- (c) when the ship is not already registered in another country, a corporation incorporated under the domestic law of a country other than Canada if one of the following is acting with respect to all matters relating to the ship:
 - (i) a subsidiary of the corporation that is incorporated under the domestic law of Canada or a sub-national government,
 - (ii) an employee or director in Canada of a branch office of the corporation that is carrying on business in Canada, or
 - (iii) a ship management company incorporated under the domestic law of Canada or a sub-national government.

2. A ship registered in a foreign country which has been bareboat chartered may be listed in Canada for the duration of the charter while the ship'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 domestic law of Canada or a sub-national government.

Phase-Out: None

Sector:	Transportation	
Sub-Sector:	Water Transportation	
Industry Classification:	SIC 4541	Freight and Passenger Water Transport Industry
	SIC 4542	Ferry Industry
	SIC 4543	Marine Towing Industry
	SIC 4549	Other Water Transport Industries
	SIC 4553	Marine Salvage Industry
	SIC 4554	Piloting Service, Water Transport Industry
	SIC 4559	Other Service Industries Incidental to Water Transport
	CPC 721	Transport services by sea-going vessels
	CPC 722	Transport services by non-seagoing vessels
	CPC 74520	Pilotage and berthing services
	CPC 74540	Vessel salvage and refloating services
	CPC 74590	Other supporting services for water transport

Type of Reservation:	National Treatment (Article 11.3) Local Presence (Article 11.5)
Measures:	<i>Canada Shipping Act, 2001, S.C. 2001, c. 26</i> <i>Marine Personnel Regulations, SOR/2007-115</i>
Description:	<u>Cross-Border Trade in Services</u> Masters, mates, engineers and certain other seafarers must hold a certificate granted by the Minister of Transport as a requirement for service on Canadian-registered ships. This certificate may be granted only to a Canadian citizen or permanent resident.
Phase-Out:	None

Sector:	Transportation
Sub-Sector:	Water Transportation
Industry Classification:	SIC 4554 Piloting Service, Water Transport Industry CPC 74520 Pilotage and berthing services
Type of Reservation:	National Treatment (Article 11.3) Local Presence (Article 11.5)
Measures:	<i>Pilotage Act, R.S.C., 1985, c. P-14</i> <i>General Pilotage Regulations, SOR/2000-132</i> <i>Atlantic Pilotage Authority Regulations, C.R.C., c. 1264</i> <i>Laurentian Pilotage Authority Regulations, C.R.C., c. 1268</i> <i>Great Lakes Pilotage Regulations, C.R.C., c. 1266</i> <i>Pacific Pilotage Regulations, C.R.C., c. 1270</i>
Description:	<u>Cross-Border Trade in Services</u> Subject to the Schedule of Canada, Annex II, at pages II-CA-18-19, a licence or a pilotage certificate issued by the relevant regional Pilotage Authority is required to provide pilotage services in the compulsory pilotage waters of the territory of Canada. Only a Canadian citizen or permanent resident may obtain that licence or pilotage certificate. A permanent resident of Canada who has been issued a pilot's licence or pilotage certificate must become a Canadian citizen within 5 years of receipt of that licence or pilotage certificate in order to retain it.
Phase-Out:	None

Sector:	Transportation
Sub-Sector:	Water Transportation
Industry Classification:	SIC 454 Water Transport Industry
	CPC 721 Transportation services by sea-going vessels
	CPC 722 Transportation services by non-sea-going vessels
Type of Reservation:	Local Presence (Article 11.5)
Measures:	<i>Shipping Conferences Exemption Act</i> , 1987, R.S.C. 1985, c. 17 (3 rd Supp.)
Description:	<u>Cross-Border Trade in Services</u> 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.
Phase-Out:	None

Sector:	Transportation
Sub-Sector:	Water Transportation
Industry Classification:	SIC 4541 Freight and Passenger Water Transport Industry SIC 4542 Ferry Industry SIC 4543 Marine Towing Industry CPC 721 Transportation services by sea-going vessels CPC 722 Transportation services by non-sea-going vessels
Type of Reservation:	Most-Favoured-Nation Treatment (Article 11.4)
Measures:	<i>Coasting Trade Act</i> , S.C. 1992, c. 31
Description:	<u>Cross-Border Trade in Services</u> The prohibitions under the <i>Coasting Trade Act</i> , set out in Schedule of Canada, Annex II, at pages II-CA-15-17, do not apply to a vessel that is owned by the U.S. Government when that vessel is 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.
Phase-Out:	None