Annex II - Schedule of Canada

Sector: Aboriginal Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)
Most-Favoured-Nation Treatment (Articles 804, 904)
Local Presence (Article 907)
Performance Requirements (Article 807)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure denying investors of Peru and their investments, or service providers of Peru, any rights or preferences provided to aboriginal peoples.

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 803)

Description: Investment

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

Existing Measures:
Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services Radiocommunications

Industry Classification: CPC 752 Telecommunication services

Type of Reservation: National Treatment (Article 803)
Senior Management and Boards of Directors (Article 806)

Description: Investment

1. Canada reserves the right to adopt or maintain any measure:

   (a)# that limits foreign investment in facilities-based telecommunications service suppliers, provided that the measures adopted or maintained by Canada do not limit foreign investment to less than a cumulative total of 46.7 percent of voting shares, based on 20 percent direct investment and 33.3 percent indirect investment;

   (b)# requiring that facilities-based telecommunications service suppliers be controlled in fact by Canadians;
requiring that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian; and

subjecting facilities-based telecommunications service suppliers that exceeded the permissible cumulative foreign investment level on 22 July 1987 and continue to exceed this level, to restrictions.

2. Exceptions to this reservation are:

(a) foreign investment is allowed up to 100 percent for suppliers conducting operations under an international submarine cable licence;

(b) mobile satellite systems owned and controlled up to a level of 100 percent by a foreign service provider may be used by a Canadian service provider to provide services in Canada; and

(c) fixed satellite systems owned and controlled up to a level of 100 percent by foreign service providers may be used to provide services between points in Canada and all points outside of Canada.
**Existing Measures:**


*Canadian Telecommunications Common Carrier Ownership and Control Regulations SOR/94-667*


*Radiocommunication Regulations SOR/96-484*
Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services
Radiocommunications
Telecommunication Services

Industry Classification: CPC 7529 Other telecommunications services
CPC 7549 Other telecommunications services not elsewhere classified

Type of Reservation: Local Presence (Article 907)
National Treatment (Article 803)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure relating to the provision of or investment in telecommunications services classified in CPC 7529, excluding mobile services, and CPC 7549.

Radiocommunication Regulations SOR/96-484
Telecommunications Act, S.C. 1993, c. 38
Canadian Telecommunications Common Carrier Ownership and Control Regulations SOR/94-667
Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services

Industry Classification:

- CPC 752 Telecommunications services
- CPC 7543 Connection services
- CPC 7549 Other telecommunications services not elsewhere classified (limited to telecommunications transport networks and services)

Type of Reservation: National Treatment (Article 803)

Description: Investment

Canada reserves the right to adopt or maintain any measure that may limit competition in the provision of local wireline telephone services in the serving areas of Northwestel Inc.

Existing Measures: *Telecommunications Act, S.C. 1993, c. 38*
Sector: Fisheries

Sub-Sector: Fishing and Fishing Related Services and Investment

Industry Classification: SIC 031 Fishing Industry
SIC 032 Services Incidental to Fishing
CPC 882 Services incidental to fishing

Type of Reservation: National Treatment (Articles 803, 903)
Most-Favoured-Nation Treatment (Articles 804, 904)

Description: Cross-Border Trade in Services and Investment

Canada retains the right to adopt or maintain any measure with respect to the issuance of licenses to foreign fishing vessels and with respect to access for foreign fishing vessels to Canada’s ports, territorial waters or Exclusive Economic Zone.

Under the Coastal Fisheries Protection Act, Fisheries and Oceans Canada is responsible for controlling the activities of foreign fishing vessels in Canada’s Exclusive Economic Zone, as well as access to Canadian ports (including port privileges).
Under the *Coastal Fisheries Protection Act*, foreign fishing vessels are prohibited from entering Canada’s territorial waters or Exclusive Economic Zone except under authority of a license or under treaty. “Foreign” vessels are those which are not “Canadian” as defined in the *Coastal Fisheries Protection Act*. Under the *Coastal Fisheries Protection Act*, the Minister of Fisheries and Oceans has discretionary authority with respect to the issuance of licenses to foreign fishing vessels.

Canada issues a port entry and port privileges license, including for the purchase of fuel and supplies, ship repair, crew exchanges and transhipment of fish catches, only to fishing vessels from a country with which it has favourable fisheries relations, based primarily on adherence by that country to international conservation practices and policies. Exceptions to this general rule are permitted in cases of emergency (“force majeure”) and where the specific provisions of bilateral fisheries treaties apply.

**Existing Measures:**

*Coastal Fisheries Protection Act*, R.S.C. 1985, c. C-33


*Coastal Fisheries Protection Regulations*, C.R.C. 1978, c. 413

*Commercial Fisheries Licensing Policy*
Sector: Government Finance

Sub-Sector: Securities

Industry Classification: SIC 8152  Finance and Economic Administration

Type of Reservation: National Treatment (Article 803)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to the acquisition, sale or other disposition by nationals of Peru of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada, a province or local government.

Sector: Minority Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)
Local Presence (Article 907)
Performance Requirements (Article 807)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measures:
Sector: Social Services

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)  
Most-Favoured-Nation Treatment (Article 904)  
Local Presence (Article 907)  
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.

Existing Measures:
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: Most-Favoured-Nation Treatment (Article 904)

Description: Cross-Border Trade in Services

Canada reserves the right to selectively negotiate agreements or arrangements with other aeronautical authorities or service providers to recognize their accreditation of repair, overhaul and maintenance facilities and certification by such facilities of work performed on Canadian-registered aircraft and other related aeronautical products.

Existing Measures:
Sector: Transportation

Sub-Sector: Air Transportation

Industry Classification: SIC 451 Air Transport Industries

Not CPC-defined: Selling and marketing of air transport services, as defined in the Cross Border Trade in Services chapter

Type of Reservation: National Treatment (Article 903)
Most-Favoured-Nation Treatment (Article 904)
Local Presence (Article 907)

Description: Cross-Border Trade in Services

Canada reserves the right to adopt or maintain any measure relating to the selling and marketing of air transportation services.

Existing Measures:
<table>
<thead>
<tr>
<th>Industry Classification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIC 4129</td>
<td>Other Heavy Construction</td>
</tr>
<tr>
<td>SIC 4541</td>
<td>Freight and Passenger Water Transport Industry</td>
</tr>
<tr>
<td>SIC 4542</td>
<td>Ferry Industry</td>
</tr>
<tr>
<td>SIC 4543</td>
<td>Marine Towing Industry</td>
</tr>
<tr>
<td>SIC 4549</td>
<td>Other Water Transport Industries</td>
</tr>
<tr>
<td>SIC 4552</td>
<td>Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)</td>
</tr>
<tr>
<td>SIC 4553</td>
<td>Marine Salvage Industry</td>
</tr>
<tr>
<td>SIC 4554</td>
<td>Piloting Service, Water Transport Industry</td>
</tr>
<tr>
<td>SIC 4559</td>
<td>Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)</td>
</tr>
</tbody>
</table>

| CPC 52232               | Constructions of Harbours, rivers, canals, and related facilities |
| CPC 721                 | Transportation services by sea-going vessels |
| CPC 722                 | Transportation services by non-sea-going vessels |
| CPC 74510               | Port and waterway operation services (excl. cargo handling) |
| CPC 74520               | Pilotage and berthing services |
| CPC 74590               | Other supporting services for water transport |
Other marine activities of a commercial nature, as set out in the Description section below.

**Type of Reservation:**
- National Treatment (Articles 803, 903)
- Most-Favoured-Nation Treatment (Articles 804, 904)
- Local Presence (Article 907)
- Performance Requirements (Article 807)
- Senior Management and Boards of Directors (Article 806)

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

Canada reserves the right to adopt or maintain any measure relating to the investment in or provision of marine cabotage services, including:

(a) the transportation of either goods or passengers by ship between points in the territory of Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and
(b) the engaging by ship in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

This reservation relates to, among other things, local presence requirements for services providers entitled to participate in these activities, criteria for the issuance of a temporary cabotage license to foreign ships and limits on the number of cabotage licenses issued to foreign ships.

**Existing Measures:**

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


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

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 4551 Marine Cargo Handling Industry
- SIC 4552 Harbour and Port Operation 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-sea-going vessels
- CPC 74510 Port and waterway operation services (excl. cargo handling)
- CPC 74520 Pilotage and berthing services
- CPC 74590 Other supporting services for water transport

Type of Reservation: Most-Favoured-Nation Treatment (Article 904)
Description: Cross-Border Trade in Services

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


Various agreements and arrangements, including:

(a) Memorandum of Arrangements on Great Lakes Pilotage;

(b) Canada - United States Joint Marine Pollution Contingency Plan;

(c) Agreement with the United States on Loran "C" Service on the East and West Coasts; and

(d) Denmark - Canada Joint Marine Pollution Circumpolar Agreement.
Sector: Transportation Services

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 904)

Description: Cross-Border Trade in Services

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

Existing Measures:
Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 804)

Description: Investment

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

Canada reserves the right to adopt or maintain any measure that accords differential treatment to a country pursuant to any existing or future bilateral or multilateral agreement relating to:

(a) aviation;

(b) fisheries;

(c)# maritime matters, including salvage.

Existing Measures:
Sector: All Sectors
Sub-Sector:
Industry Classification:

Type of Reservation: Market Access (Article 906)
Description: Cross-Border Trade in Services

Canada reserves the right to adopt or maintain any measure that is not inconsistent with Canada’s obligations under Article XVI of the GATS.

Existing Measures: