CANADIAN FREE TRADE AGREEMENT

Consolidated Version

CANADIAN
FREE TRADE
AGREEMENT

ACCORD DE
LIBRE-ÉCHANGE
CANADIEN

January 16, 2024

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Consolidated Version

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FOREWORD

This consolidation combines the text of the original ***Canadian Free Trade Agreement*** *(2017)* together with all ***Protocols of Amendment,*** which have been adopted since the signing of the *Agreement*.

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Canadian Free Trade Agreement	July 1, 2017
First Protocol of Amendment	December 10, 2019
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Preamble

The Governments of Canada, Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta, Newfoundland and Labrador, the Northwest Territories, Yukon, and Nunavut,

RESOLVE to:

PROMOTE an open, efficient, and stable domestic market for long-term job creation, economic growth, and stability;

REDUCE AND ELIMINATE, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada;

PROMOTE equal economic opportunity for Canadians;

ENHANCE the competitiveness of Canadian business;

PROMOTE sustainable and environmentally sound development;

CONSULT on matters related to trade, investment, and labour mobility within Canada;

AND,

RECOGNIZING the diverse social, cultural, and economic characteristics of the Provinces;

RESPECTING the legislative authorities of Parliament of Canada and the provincial legislatures under the Constitution of Canada;

CONFIRMING that this Agreement represents a mutually agreed balance of the Parties' rights and obligations;

HAVE AGREED as follows:

PART I – INITIAL PROVISIONS

Chapter One - Initial Provisions

Article 100: Objective

The Parties' objective is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open, efficient, and stable domestic market. The Parties recognize and agree that enhancing trade, investment, and labour mobility within Canada would contribute to the attainment of this goal.

Article 101: Application

This Agreement applies to trade, investment, and labour mobility within Canada.

Article 102: Mutually Agreed Principles

1. The Parties are guided by the following principles:

   (a) the need to eliminate existing barriers and avoid new barriers to trade, investment, and labour mobility within Canada and to facilitate the free movement of persons, goods, services, and investments within Canada;

   (b) the need to ensure non-discriminatory treatment of persons, goods, services, and investments, irrespective of where they originate in Canada; and

   (c) the need to reconcile occupational standards and regulatory measures to provide for the free movement of persons and the removal of barriers to trade and investment within Canada.

2. In applying the principles set out in paragraph 1, the Parties recognize:

   (a) the right to regulate is a basic and fundamental attribute of government, and the decision of a Party not to adopt or maintain a particular measure shall not affect the right of any other Party to adopt or maintain such a measure;

   (b) the need to preserve flexibility in order to achieve public policy objectives, such as public health, safety, social policy, environmental or consumer protection, or the promotion and protection of cultural diversity;

   (c) the need for full disclosure of information, legislation, regulations, policies, and practices that have the potential to impede an open, efficient, and stable domestic market;

   (d) the need for exceptions and transition periods; and

(e) the need for dispute resolution procedures and compliance mechanisms that are accessible, timely, credible, and effective.

Article 103: Extent of Obligations

Each Party is responsible for compliance with this Agreement by:

(a) its departments, ministries, and similar agencies of government;

(b) its regional, local, district, and other forms of municipal government;

(c) its other governmental bodies and enterprises;

(d) any monopoly, non-governmental body, or non-governmental enterprise, whenever exercising regulatory, administrative, or other governmental authority that the Party has delegated to it, including the power to expropriate, grant licences, approve commercial transactions, or impose quotas, fees, or other charges; and

(e) its monopolies and government enterprises undertaking commercial activities.

PART II – GENERAL RULES

Chapter Two - General Rules

Article 200: Application

1. Except as provided in this Agreement, this Chapter applies to any measure of a Party relating to trade, investment, and labour mobility within Canada.

2. This Chapter does not apply to procurement by a Party of a good or service purchased for governmental purposes, and not with a view to commercial sale or resale or for use in the production or supply of a good or service for commercial sale or resale, whether or not that procurement is a covered procurement within the meaning of Article 504 (Scope and Coverage).

Article 201: Non-Discrimination

1. Each Party shall accord to goods of any other Party treatment no less favourable than the best treatment it accords to its own like, directly competitive or substitutable goods and to those of any other Party or non-Party.

2. Each Party shall accord to workers, services, service suppliers, investors, and investments of any other Party treatment no less favourable than the best treatment it accords, in like circumstances, to its own workers, services, service suppliers, investors, and investments and to those of any other Party or non-Party.

3. With respect to the Government of Canada, paragraphs 1 and 2 mean that it shall accord to:

(a) goods of a Province treatment no less favourable than the best treatment it accords to like, directly competitive or substitutable goods of any other Province or non-Party; and

(b) workers, services, service suppliers, investors, and investments of a Province treatment no less favourable than the best treatment it accords, in like circumstances, to workers, services, service suppliers, investors, and investments of any other Province or non-Party.

4. With respect to the Government of Canada, there must be a geographical component to the less favourable treatment to be inconsistent with paragraphs 1, 2, or 3. A geographical component to the less favourable treatment means that the Government of Canada favours on either a *de jure* or *de facto* basis the goods, workers, services, service suppliers, investors, or investments of a Province over those of any other Province or non-Party.

5. According identical treatment may not necessarily result in compliance with paragraphs 1, 2, 3, or 4.

6. Each Party shall ensure that any licensing, registration, certification, or other commercial charges it applies to:

(a) goods of any other Party are no less favourable than the charges it applies to its own like, directly competitive or substitutable goods and charges it applies to those goods from any other Party or non-Party, except to the extent that the difference in charges can be justified by actual cost; or

(b) workers, services, service suppliers, investors, or investments of any other Party are no less favourable than the charges it applies to its own workers, services, service suppliers, investors, or investments and charges it applies to workers, services, service suppliers, investors, or investments from any other Party or non-Party, in like circumstances, except to the extent that the difference in charges can be justified by actual cost.

7. For greater certainty, for the purposes of paragraph 6, “commercial charge” does not include a tax or royalty.

Article 202: Legitimate Objectives

1. This Article does not apply to Article 302 (Technical Barriers to Trade), Article 303 (Sanitary and Phytosanitary Measures), Article 320 (Prohibited Incentives), Article 402 (Regulatory Notification), and Article 403 (Reconciliation of Regulatory Measures), or to Chapter Six (Environmental Protection) and Chapter Seven (Labour Mobility).

2. A Party may establish the level of protection it considers appropriate to achieve a legitimate objective.

3. If it is established that a measure is inconsistent with this Agreement, that measure is permissible provided that:

(a) the purpose of the measure is to achieve a legitimate objective;

(b) the measure is necessary to achieve that legitimate objective;

(c) the measure is not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail; and

(d) the measure is not applied in a manner that would constitute a disguised restriction on trade.

4. For the purposes of paragraph 3(b), a measure shall be considered necessary to achieve a legitimate objective provided that:

(a) the measure makes a contribution to the achievement of the legitimate objective; and

(b) there are no reasonably available alternatives that would make an equivalent contribution to the achievement of the legitimate objective in a less trade-restrictive manner.

Article 203: Transparency

1. Each Party shall ensure that its measures respecting matters covered by this Agreement are made readily accessible.

2. Each Party shall maintain an enquiry point, identified on this Agreement's website, able to answer reasonable enquiries and to provide information relating to its measures and to other matters covered by this Agreement.

3. Nothing in this Agreement shall be construed to require a Party to disclose information that:

(a) would impede law enforcement;

(b) would involve a waiver of privilege;

(c) would prejudice the legitimate commercial interests of third persons; or

(d) would be exempt from disclosure under, or its disclosure would contravene, applicable law.

PART III – SPECIFIC RULES

Chapter Three - Special Provisions

Article 300: Application

This Chapter does not apply to procurement by a Party of a good or service purchased for governmental purposes, and not with a view to commercial sale or resale or for use in the production or supply of a good or service for commercial sale or resale, whether or not that procurement is a covered procurement within the meaning of Article 504 (Scope and Coverage).

PART A: Goods

Article 301: Right of Entry and Exit

1. This Article applies to any measure adopted or maintained by a Party relating to trade in goods, except for any technical regulation, conformity assessment procedure, standard, or sanitary or phytosanitary measure.

2. A Province shall not adopt or maintain any measure that restricts or prevents the movement of goods across provincial or territorial boundaries.

3. The Government of Canada shall not adopt or maintain any measure that unduly restricts or prevents the movement of goods across provincial or territorial boundaries.

Article 302: Technical Barriers to Trade

1. This Article applies to the preparation, adoption, and application of technical regulations, standards, and conformity assessment procedures, that may affect trade in goods within Canada.

2. This Article does not apply to any sanitary or phytosanitary measure.

Technical Regulations

3. Each Party shall ensure that technical regulations are not prepared, adopted, or applied that would have the effect of creating unnecessary obstacles to trade within Canada.

4. For the purposes of paragraph 3, technical regulations shall not be more trade restrictive than necessary to fulfil a legitimate objective, taking account of the risks non-fulfillment would create. For the purposes of this Article, such legitimate objectives are not limited only to those legitimate objectives set out in the definition of “legitimate objective” in Chapter Thirteen (Definitions). In assessing such risks, relevant elements of consideration include available scientific and technical information, related processing technology, or intended end-uses of the product.

5. Wherever appropriate, technical regulations shall be based on:

   (a) product requirements in terms of performance rather than design or descriptive characteristics; and

   (b) relevant national, *de facto* national, or international standards, if such standards exist or their completion is imminent, except if such national, *de facto* national, or international standards, or relevant parts, would be an ineffective or inappropriate means for the fulfilment of the legitimate

objectives pursued, for instance because of fundamental climatic or geographical factors or fundamental technological problems.

6. Technical regulations shall not be maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a less trade-restrictive manner.

Standards

7. If national, *de facto* national, or international standards do not exist or are demonstrably ineffective or inappropriate, interested Parties shall cooperate to develop national standards and, wherever practicable, use Canada's National Standardization Network for that purpose.

Conformity Assessment Procedures

8. On request, each Party shall accept the results of another Party's conformity assessment procedures, even if those procedures differ from its own, provided it is satisfied that those procedures offer an assurance of conformity with applicable technical regulations or standards equivalent to its own procedures. If a Party does not accept the results of a conformity assessment procedure conducted in the territory of the other Party, it shall, on request of the other Party, explain the reasons for its decision.

9. Each Party shall use relevant national or international guides and recommendations, if they exist or their completion is imminent, as a basis for its conformity assessment procedures, except if such national or international guides and recommendations or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, for instance because of fundamental climatic or geographical factors or fundamental technological problems.

Article 303: Sanitary and Phytosanitary Measures

1. This Article applies to any sanitary or phytosanitary measure adopted or maintained by a Party that may, directly or indirectly, affect trade within Canada.

Basic Rights and Obligations

2. Each Party has the right to take any sanitary or phytosanitary measure necessary to protect human, animal, or plant life or health within its territory.

3. Each Party shall ensure that its sanitary and phytosanitary measures:

(a) except as provided for in paragraph 9, are applied only to the extent necessary to protect human, animal, or plant life or health, are based on scientific principles, and are not maintained without sufficient scientific evidence; and

(b) do not arbitrarily or unjustifiably discriminate between or among Parties where identical or similar conditions prevail.

4. Sanitary and phytosanitary measures shall not be applied in a manner that would constitute a disguised restriction on trade within Canada.

Assessment of Risk and Determination of the Appropriate Level of Sanitary or Phytosanitary Protection

5. Each Party shall ensure that its sanitary or phytosanitary measures are based on an assessment, as appropriate to the circumstances, of the risks to human, animal, or plant life or health, taking into account risk assessment techniques developed by relevant international organizations.

6. Each Party should, when determining the appropriate level of sanitary or phytosanitary protection, take into account the objective of minimizing negative trade effects.

7. When adopting or maintaining any sanitary or phytosanitary measure to achieve the appropriate level of sanitary or phytosanitary protection, each Party shall ensure that the measure is not more trade-restrictive than required to achieve its appropriate level of sanitary or phytosanitary protection, taking into account technical and economic feasibility.

8. For the purposes of paragraph 7, a measure is not more trade-restrictive than required unless there is another measure that is reasonably available to the Party, taking into account technical and economic feasibility, which achieves the appropriate level of sanitary or phytosanitary protection and is significantly less restrictive to trade.

9. If relevant scientific evidence is insufficient, a Party may provisionally adopt any sanitary or phytosanitary measure. In such circumstances, the Party shall seek to obtain the additional information necessary for a more objective assessment of risk and review the sanitary or phytosanitary measure accordingly within a reasonable period of time.

Article 304: Cost-of-Service Fees

Each Party shall ensure that any cost-of-service fees it applies to the goods of another Party are no less favourable than those applied to its own like, directly competitive or substitutable goods and to those of any other Party or non-Party, except to the extent that any difference can be justified by actual cost.

PART B: Services

Article 305: Scope and Coverage

This Part:

(a) applies to any measure adopted or maintained by a Party relating to service suppliers and to trade in services within Canada; and

(b) does not apply to incentives.

Article 306: Formal Requirements

A Party may require that a service supplier:

(a) have a local agent or local address for service;

(b) post a bond or other form of financial security;

(c) establish or contribute to a trust account or to a compensation fund;

(d) maintain a particular type and amount of insurance or other similar guarantee;

(e) maintain and provide access to records; or

(f) obtain a licence, registration, or certification,

as a condition for supplying a service in or into its territory, provided that such requirements are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination.

Article 307: Market Access - Services

1. A Party shall not adopt or maintain any measure that imposes limitations on:

(a) the number of service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) the total value of service transactions or assets in the form of numerical quotas, or the requirement of an economic needs test;

(c) the total number of service operations or the total quantity of services output expressed in terms of designated numerical units in the form of quotas, or the requirement of an economic needs test; or

(d) the total number of natural persons that may be employed in a particular sector or that an enterprise may employ and who are necessary for, and directly related to, the performance of economic activity in the form of numerical quotas, or the requirement of an economic needs test.

2. For greater certainty, a measure requiring a person to be a resident of, or have a commercial presence in, a Province in order to provide a service is not inconsistent with paragraph 1.

Article 308: Licensing and Qualification Requirements and Procedures

1. Each Party shall ensure that:

(a) licensing procedures and qualification procedures do not unduly complicate or delay the supply of a service;

(b) licensing procedures and qualification procedures used by a Party, and decisions of a Party in authorization and licensing processes, are impartial with respect to all applicants; and

(c) licences and authorizations shall be granted as soon as all relevant conditions have been met, and once granted, shall come into effect without undue delay, consistent with any terms and conditions applicable to the licence or authorization.

2. In an application process to obtain a licence or an authorization involving licensing procedures and licensing requirements or qualification procedures and qualification requirements, each Party shall ensure that:

(a) the processing of an application is:

(i) initiated without undue delay; and

(ii) completed within a reasonable timeframe from the submission of a complete application, including the time to reach a final decision;

(b) if possible, applications are accepted in electronic format under similar conditions of authenticity as paper submissions. Authenticated copies should be accepted, if considered appropriate, in place of original documents;

(c) at the request of an applicant, information concerning the status of the application is provided without undue delay; and

(d) if it considers that an application is incomplete, the Party will, within a reasonable period of time, inform the applicant, identify the additional information required to complete the application, and provide the applicant with an opportunity to correct any deficiency with the application.

3. With respect to rejected applications for a licence or an authorization, each Party shall ensure that the applicant is:

(a) informed in writing and without undue delay of the rejection;

(b) on request, informed of the reasons for the rejection and of the timeframe for an appeal or review of the rejection, as required under paragraph 4; and

(c) permitted to submit a new application within a reasonable period of time.

4. Each Party shall maintain or institute judicial, arbitral, or administrative tribunals or procedures which provide, at the request of an affected investor or service supplier, for a prompt review of, and where justified, appropriate remedies for, administrative decisions affecting the supply of a service. If such procedures are not independent of the agency entrusted with the administrative decision concerned, each Party shall ensure that the procedures provide for an objective and impartial review.

Article 309: Electricity Transmission Service Providers and Trade in Electricity Transmission Services

Annex 309 sets out the obligations applicable to measures of transmission service providers and trade in transmission services, the manner in which those obligations will come into force, and special dispute resolution procedures applying to matters that fall within the scope of that Annex.

PART C: Investment

Article 310: Scope and Coverage

1. Article 311 and Article 312 apply to any measure adopted or maintained by a Party relating to investors of another Party or their investments in its territory.

2. Article 313 applies to any measure adopted or maintained by a Party relating to investors of a Party or their investments in its territory.

Article 311: Formal Requirements

A Party may require that an investor or its investment:

(a) have a local agent or local address for service;

(b) post a bond or other form of financial security;

(c) establish or contribute to a trust account or to a compensation fund;

(d) maintain a particular type and amount of insurance or other similar guarantee;

(e) maintain and provide access to records; or

(f) obtain a licence, registration, or certification,

as a condition for carrying on business, or establishing or acquiring an enterprise in its territory, provided that such requirements are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination.

Article 312: Market Access - Investment

1. A Party shall not adopt or maintain any measure regarding an investor of another Party that:

(a) imposes limitations on:

(i) the number of enterprises, whether in the form of numerical quotas, monopolies, exclusive suppliers, or the requirement of an economic needs test;

(ii) the total value of transactions or assets in the form of numerical quotas, or the requirement of an economic needs test;

(iii) the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas, or the requirement of an economic needs test;

(iv) the total number of natural persons that may be employed in a particular sector or that an enterprise may employ and who are necessary for, and directly related to, the performance of economic activity in the form of numerical quotas, or the requirement of an economic needs test; or

(v) the participation of capital from an investor of another Party in terms of maximum percentage limit on shareholding, or the total value of individual or aggregate investment; or

(b) restricts or requires specific types of legal entity or joint venture through which an enterprise may carry out an economic activity.

2. Nothing in paragraph 1 shall be construed to prevent a Party from adopting or maintaining any measure that:

(a) concerns zoning and planning regulations affecting the development or use of land, or other analogous measures;

(b) seeks to ensure the conservation and protection of natural resources and the environment, including limitations on the availability, number and scope of concessions granted, and the imposition of moratoria or bans;

(c) requires the separation of the ownership of infrastructure from the ownership of the goods or services provided through that infrastructure to ensure fair competition, for example in the fields of energy, transportation, and telecommunications;

(d) restricts the concentration of ownership to ensure fair competition;

(e) requires that a certain percentage of the shareholders, owners, partners, or directors of an enterprise be qualified to practice a certain profession such as lawyers or accountants;

(f) relates to the acquisition, sale, or other disposition of bonds, treasury bills, or other kinds of debt securities issued by that Party; or

(g) requires a person to be a resident of, or have a commercial presence in, a Province in order to make an investment in the territory of that Province.

Article 313: Performance Requirements

1. In connection with an investment of an investor of a Party in its territory, a Party shall not impose or enforce, or condition the receipt or continued receipt of an advantage on compliance with, any requirement to:

(a) achieve a specific level or percentage of local content of goods or services;

(b) purchase or use goods or services produced locally;

(c) purchase goods or services from a local source; or

(d) transfer technology, a production process, or other proprietary knowledge to a person or a Party.

2. Nothing in paragraph 1 shall be construed to prevent a Party from conditioning the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with a requirement to locate production, provide a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

3. Paragraph 1(d) does not apply when the requirement is imposed, or the commitment or undertaking is enforced, by a court, administrative tribunal, or competition authority, to remedy a violation of competition laws.

PART D: Monopolies and Government Enterprises – Commercial Activity

Article 314: Scope and Coverage

1. Except for Article 309 and Article 704 (Residency Requirements), only the obligations in this Part apply to monopolies and government enterprises when undertaking commercial activities.

2. For greater certainty, “commercial activities” includes procurement by a monopoly or government enterprise only if the good or service is not purchased for governmental purposes and is purchased with a view to commercial sale or resale or with a view to use in the supply or production of a good or service for commercial sale or resale.

3. Nothing in paragraphs 1 or 2 shall be construed to limit the application of Chapter Five (Government Procurement) to covered procurement by a monopoly or government enterprise.

Article 315: Right to Maintain, Establish, or Authorize Monopolies and Government Enterprises

Without prejudice to the Parties' rights and obligations under this Agreement, nothing in this Part prevents a Party from maintaining, establishing, or authorizing monopolies and government enterprises in its territory or expanding the scope of a monopoly to cover an additional good or service.

Article 316: Non-Discrimination

Each Party shall ensure that in its territory its monopolies, in their purchase or sale of any good or service, accord non-discriminatory treatment to:

(a) an investment of an investor of any other Party;

(b) a good of any other Party; or

(c) a service supplier of any other Party.

Article 317: Commercial Considerations

Each Party shall ensure that its monopolies and government enterprises act solely in accordance with commercial considerations in its territory:

(a) in their treatment of an investment of an investor of any other Party; or

(b) when purchasing, selling, or supplying goods or services to or from any other Party, including when these goods or services are supplied to or by an investment of an investor of any other Party,

except to fulfill the purpose for which the monopoly or government enterprise has been created.

Article 318: Exceptions

Article 316 and Article 317 do not apply to any measure adopted or maintained by a Party's monopoly or government enterprise if a Party-specific exception taken against Article 201 (Non-Discrimination) or paragraph 2 of Annex 309, as set out in the Party's Schedules to Part VII (Party Schedules), would apply had the same measure been adopted or maintained by that Party.

PART E: Incentives

Article 319: Scope and Coverage

1. This Part applies to incentives provided to any enterprise by a Party or any entity acting on behalf of the Party.

2. The following provisions do not apply to incentives:

(a) Article 201 (Non-Discrimination);

(b) Part B;

(c) Part C, with the exception of Article 313; and

(d) Chapter Ten (Dispute Resolution), only with respect to Article 321 and Article 322.

Article 320: Prohibited Incentives

1. A Party shall not provide an incentive that:

(a) discriminates against an enterprise on the basis that:

(i) the head office of the enterprise is located in the territory of another Party; or

(ii) the enterprise is owned or controlled by an investor of another Party;

(b) is, in law or in fact, contingent on, and would directly result in, an enterprise located in the territory of any Party relocating an existing operation to its territory or to the territory of another Party; or

(c) is primarily intended to enable the recipient to undercut competitors of another Party in obtaining a specific contract in the territory of another Party.

2. An incentive shall not be considered to be inconsistent with paragraph 1(b) if a Party can demonstrate that the incentive was provided to offset the possibility for relocation of the existing operation outside Canada and the relocation was imminent, well known, and under active consideration.

3. For greater certainty:

(a) paragraph 1 shall not be construed to prevent a Party from carrying out general investment promotion activities; and

(b) paragraph 1(b) shall not apply to incentives provided to an enterprise:

(i) of a non-Party located within the territory of a non-Party; or

(ii) relocating existing operations from a non-Party to the territory of a Party.

Article 321: Avoidance of Certain Incentives

1. The Parties affirm that economic development within their territories may include the provision of incentives.

2. Notwithstanding paragraph 1, the Parties acknowledge that certain incentives may cause adverse effects to the economic interests of other Parties. Accordingly, each Party shall take into account the economic interests of other Parties in developing and applying its incentives.

3. With respect to the Government of Canada, paragraph 2 means that it shall take into account whether any incentive it provides to an enterprise in a Province operates so as to cause adverse effects to the economic interests of another Province.

4. Each Party shall endeavour to refrain from providing an incentive that:

(a) sustains, for an extended period of time, an economically non-viable operation whose production adversely affects the competitive position of a facility located in the territory of another Party;

(b) increases capacity in sectors where the increase is not warranted by market conditions; or

(c) is excessive, either in absolute terms or relative to the total value of the specific project for which the incentive is provided, taking into account such factors as the economic viability of the project and the magnitude of the economic disadvantage that the incentive is designed to overcome.

5. Each Party shall refrain from engaging in bidding wars against another Party to attract prospective investors seeking the most beneficial incentive.

Article 322: Consultations

1. Further to Article 321, if a Party considers that an incentive of another Party is adversely affecting or may adversely affect its interests, that Party may request consultations on the matter. The responding Party shall accord full and sympathetic consideration to that request.

2. During consultations, a Party may seek additional information regarding an incentive of the responding Party, including:

(a) the Party’s policy objective in providing the incentive;

(b) the total amount of the incentive; and

(c) any measures taken to limit the incentive's potential distortive effect on trade.

3. On the basis of these consultations, the responding Party shall endeavour to eliminate or minimize any adverse effects of the incentive on the requesting Party's interests.

Article 323: Reporting

1. Each Party shall submit a biennial report on incentives to the Secretariat that provides the following information for the reporting period:

(a) a short description of its incentive programs, including their goals and objectives;

(b) the total amount of each of the following types of incentives committed by the Party to enterprises in its territory:

(i) cash grants or contributions;

(ii) loans or loan guarantees; and

(iii) equity injections,

(c) in the case of the Government of Canada, the total amount for each Province of each type of incentive referred to in paragraph (b) committed by it to enterprises in that Province;

(d) the amounts of each:

(i) cash grant or contribution over $500,000;

(ii) loan or loan guarantee over $1,000,000; and

(iii) equity injection over $1,000,000,

committed by the Party to enterprises in its territory; and

(e) where relevant, a summary of any matter that has given rise to consultations provided under Article 322.

2. Paragraph 1 does not apply to regional, local, district, or other forms of municipal government.

Annex 309: Electricity Transmission Service Providers and Trade in Electricity Transmission Services

1. Entry into Force of Specific Rules

(a) Sections 2 through 4 of this Annex will enter into force if Quebec or Newfoundland and Labrador provide written notice to the Secretariat of such entry into force no earlier than 24 months, but no later than 36 months, after the effective date.

(b) If such written notice is provided to the Secretariat, then:

(i) Sections 2 through 4 of this Annex will enter into force 90 days after receipt of the written notice by the Secretariat; and

(ii) during that 90-day period, each Party may amend its exceptions set out in its Schedules in Part VII (Party Schedules) by listing exceptions to Section 2 to the extent each Party considers necessary. Any such amendment shall be made to a Party's exceptions set out in its Schedules in Part VII, as applicable, on receipt by the Secretariat of written notice of the amendment from that Party.

(c) Sections 2 through 4 do not apply to the Northwest Territories, Yukon, or Nunavut until two years after the date on which that Party has in place physical infrastructure connected to the bulk electric system outside the jurisdiction of that Party.

2. Open and Non-Discriminatory Provision of Electricity Transmission Service

(a) Each Party shall ensure that any transmission service provider operating within its territory provides all transmission customers with open and non-discriminatory access to transmission service.

(b) For the purpose of paragraph (a), open and non-discriminatory access means the following:

(i) each transmission service provider shall grant transmission customers access to transmission service on a basis that is no less favourable than the access that the transmission service provider grants to itself, to any owner or affiliate of the transmission service provider, or to any other transmission customer;

(ii) each transmission service provider shall provide transmission service using a set of transparent policies, procedures, rules of service, and tariffs, that shall be applied to all of its transmission customers on a non-discriminatory basis;

(iii) each transmission service provider shall provide transmission services on an independent basis by ensuring:

(A) that decisions relating to day-to-day transmission system operations, including scheduling and providing transmission service, are made independently of the marketing function employees of the transmission service provider and the marketing function employees of the transmission service provider's affiliates. Such decisions include: the application of transmission provider policies, procedures, and tariff provisions to requests for transmission service; approval and registration of transmission customers; administration of requests for transmission service; real-time scheduling of transmission service; operational decisions involving the provision of transmission service; and the coordination of the interchange of electricity between two control areas consistent with approved transmission schedules;

(B) the protection of confidential information relating to the transmission system, including a prohibition on the disclosure of transmission system information to any marketing function employees of the transmission service provider, if applicable, except any information:

1) that may be required for the express purpose of security of supply or long-term integrated resource planning; or

2) that is made available to all market participants online as described in paragraph (c);

(C) the protection of confidential information relating to transmission customers; and

(D) if applicable, that it maintains separate and independent record-keeping for each of the transmission service provider's transmission and merchant functions.

(c) Each Party shall ensure that any transmission service provider operating within its territory provides all transmission customers with open and non-discriminatory access to current information regarding the availability of transmission service and related legislation, policies, procedures, and rules of service that is accessible to transmission customers online and that provides simultaneous access to the following information, as applicable:

(i) available transfer capability and related information;

(ii) transmission service products and applicable tariffs, including available discounts;

(iii) ancillary services and applicable rates;

(iv) transmission service schedule and process information;

(v) other transmission-related communications such as outages and system conditions;

(vi) information regarding the time or times required to complete transmission service request studies;

(vii) data relating to grants and denials of service; and

(viii) re-dispatch data.

(d) This Section does not require Parties to create or operate a competitive electricity market, or preclude the sale of electricity through bilateral transactions.

(e) Provincial and territorial regulators and transmission service providers, in the exercise of their legislative, regulatory, market, and contractual authorities:

(i) retain the right to ensure system reliability; and

(ii) may determine the manner in which merchant transmission facilities in their respective jurisdictions are developed and offered based on criteria that is not unduly discriminatory or preferential.

3. Dispute Resolution Relating to Electricity Transmission Services

(a) Chapter Ten (Dispute Resolution) applies to any dispute relating to the interpretation or application of Section 2 as modified by this Section.

(b) Once Sections 2 through 4 come into force, the Parties shall establish and maintain a roster of individuals to serve as electricity transmission panellists. Each Party shall appoint two individuals to this roster for a term of five years. A roster member may be reappointed for any number of additional terms.

(c) Electricity transmission roster members shall:

(i) have expertise or experience in electricity transmission law or practice, which may include the regulation of transmission providers;

(ii) be chosen on the basis of objectivity, reliability, and sound judgment; and

(iii) be independent of the Party making the nomination and not take instructions from any Party.

(d) If any:

(i) Complaining Party or a Complaining Person claims in the request to establish a Panel under Article 1004.4 (Request for Panel) or Article 1018.3 (Request for Panel); or

(ii) Complaint Recipient claims under Article 1004.12 (Request for Panel) or Article 1018.4 (Request for Panel);

that a dispute concerns the interpretation or application of Section 2, the following Presiding Body selection procedures shall apply:

(A) the Presiding Body established to consider the dispute under Article 1005 (Establishment of Presiding Body) or Article 1019 (Establishment of Presiding Body) shall be composed of five panellists, with three panellists chosen from the electricity transmission roster and two panellists chosen from the roster maintained pursuant to Article 1005.2.

(B) Within 30 days after the date of delivery by the Complaining Party or the Complaining Person of a request to establish a Presiding Body, each Disputing Party shall appoint one panellist from the electricity transmission roster and one panellist from the roster maintained pursuant to Article 1005.2 with administrative law experience.

(C) Within 30 days of their appointment pursuant to subparagraph (B), the two panellists that have been appointed from the electricity transmission roster shall select a third panellist from the electricity transmission roster. If those two panellists fail to agree on a third electricity transmission panellist within 30 days, the Secretariat shall select the third electricity transmission panellist by lot from the electricity transmission roster.

(D) Within 10 days, the three electricity transmission panellists shall, by majority vote, select the dispute panel chairperson from the two remaining panellists appointed from the roster maintained pursuant to Article 1005.2.

(e) Before deciding whether to initiate a Proceeding on behalf of a Person under Article 1015 (Initiation of Proceedings by Government on Behalf of Persons), if a dispute falls within the jurisdiction of a regulatory authority with an established administrative process, a Party shall require the Person to exhaust that administrative process, by written notice given within 30 days after the date of delivery of the Person's request. If, after having exhausted that administrative process, the Person still wishes the Party to pursue Proceedings under Part A of Chapter Ten (Dispute Resolution) on the Person’s behalf, it may reissue its request by providing further written notice to the Party.

4. Electricity Transmission Service Providers and Trade in Electricity Transmission Services – Specific Definitions

For purposes of Article 309 and this Annex:

available transfer capability is the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses;

bulk electric system is any electricity transmission system, whether AC or DC, operated at 100 kV or higher, and real power and reactive power resources connected at 100 kV or higher, but does not include any facilities used in the purely local distribution of electricity;

Complaining Party means a "Complaining Party" as defined in Article 1041 (Definitions);

Complaining Person means a "Complaining Person" as defined in Article 1041 (Definitions);

Complaint Recipient means a "Complaint Recipient" as defined in Article 1041 (Definitions);

marketing function means the purchase for resale or sale for resale of electricity, capacity and transmission rights, including physical products and services, and related financial products and rights;

marketing function employee means an employee, contractor, consultant, or agent of a transmission service provider or of an affiliate of a transmission service provider who actively and personally engages on a day-to-day basis in marketing functions;

merchant transmission facilities are facilities for which the costs of construction are recovered through negotiated rates instead of cost-based rates;

Person means a "Person" as defined in Article 1041 (Definitions);

transmission customer means any person meeting reasonable commercial requirements wishing to obtain transmission service from a transmission service provider. This includes transmission customers that are owned or controlled by, or related to, a transmission service provider, as well as the transmission service provider itself in the case of a wholly integrated single entity generating electricity and providing transmission services;

transmission service means the transfer into, out of, or through a Province, or any part thereof, on a bulk electric system of electricity destined for sale across provincial or territorial boundaries or for international sale. For greater certainty, "transmission service" does not include the transmission of electricity that occurs solely within a Province; and

transmission service provider means any person that owns, controls, or operates facilities used, or capable of being used, to provide transmission service, or the transmission system operator, as the case may be.

Chapter Four - Regulatory Notification, Reconciliation, and Cooperation

Article 400: Enhancement of Regulatory Measures

Parties recognize the importance of continuing to work toward the enhancement of existing regulatory measures such as consumer and worker protection, health and safety, environmental protection, and the effectiveness of related measures.

Article 401: Application

Parts A and B do not apply to regional, local, district, or other forms of municipal government.

PART A: Notification

Article 402: Regulatory Notification

1. Subject to paragraphs 2 and 3, and Article 203.3 (Transparency), if a Party proposes to adopt or modify a regulation that may have a significant effect on trade or investment within Canada, the Party shall:

(a) publish online a description of the proposed regulation at an early appropriate stage in order for Parties and interested persons to become acquainted with it;

(b) allow reasonable time for Parties and interested persons to provide written comments in response to the description published pursuant to paragraph (a) and take such comments into account;

(c) endeavour to allow at least 30 days for comments provided pursuant to paragraph (b), taking into account international obligations; and

(d) to the extent practicable, provide a copy of the proposed regulation to a Party on request.

2. A Party may omit any of the steps set out in paragraph 1, provided that the proposed regulation relates to:

(a) taxation; or

(b) forms of revenue generation, except for a regulation relating to administrative processes and formalities attached to the collection of revenues by government.

3. If an urgent problem of safety, health, environmental protection, or national security arises or threatens to arise for a Party, that Party may omit any of the steps set out in

paragraph 1 as it considers necessary provided that, upon adoption of the regulation, the Party:

(a) immediately provides to the Parties a description of the regulation, including a brief description of the urgent problem;

(b) provides a copy of the regulation to a requesting Party; and

(c) allows the Parties to make comments in writing and, on request, discusses the comments.

PART B: Reconciliation

Article 403: Reconciliation of Regulatory Measures

1. Parties shall enter into negotiations to reconcile regulatory measures, identified by a Party, that act as a barrier to trade, investment, or labour mobility within Canada. Reconciled measures are to be identified under reconciliation agreements as provided for in Annex 404.

2. Subject to Article 405 and Article 406.1, Parties shall achieve reconciliation in accordance with each reconciliation agreement.

3. If a Party has reconciled a regulatory measure pursuant to a reconciliation agreement, that Party shall not amend that regulatory measure in a manner that circumvents the reconciliation agreement.

4. Reconciliation agreements and associated exceptions shall be published on this Agreement's website.

Article 404: Regulatory Reconciliation and Cooperation Table

The Parties shall establish a Regulatory Reconciliation and Cooperation Table ("RCT"), mandated to oversee the regulatory reconciliation and cooperation processes in accordance with Annex 404.

Article 405: Exceptions to Regulatory Reconciliation

If a Party does not enter into a reconciliation agreement, it shall identify its relevant regulatory measures as an exception to Article 403.2, in a form and manner established by the RCT.

Article 406: No Regulatory Measure to Reconcile

1. If a Party does not have a regulatory measure to be reconciled in an area subject to reconciliation, it shall not be subject to Article 403.

2. If a Party that does not have a regulatory measure to be reconciled participates in a negotiation of a reconciliation agreement, its role is limited to observer.

3. If a Party that does not have a regulatory measure to be reconciled adopts a comparable regulatory measure in the future, it is encouraged to enter into any negotiation of, or become a party to, a reconciliation agreement, or shall identify its regulatory measure as an exception pursuant to Article 405.

Article 407: Review

Within five years after the effective date, the Parties shall review the operation and effectiveness of this Part.

PART C: Regulatory Cooperation

Article 408: Joint Development of Future Regulatory Measures

1. A Party may identify and propose to the RCT that the Parties cooperate in the development of future regulatory measures to:

(a) avoid regulatory divergences that may impair trade, investment, or labour mobility within Canada;

(b) facilitate innovation, competition, or growth in emerging industries, technologies, or sectors; or

(c) ensure that, if feasible, common processes exist among Parties for implementing future regulatory measures in order to help streamline approval processes and minimize the administrative burden for enterprises working in multiple Provinces.

2. A Party is not required to participate in the development of the future regulatory measure or adopt the future regulatory measure at the end of a joint development process.

Annex 404: Regulatory Reconciliation and Cooperation

General

1. With respect to regulatory reconciliation, each Party recognizes:

   (a) the importance of engagement with stakeholders to assist in identifying key priorities for its jurisdiction; and

   (b) any amendment to a regulatory measure that is legislation will require the approval of Parliament of Canada or of a legislature, as applicable.

2. Each Party shall designate a representative, appointed by its First Minister, who has the appropriate authority to serve on the RCT.

3. The RCT shall lead the work:

   (a) to reconcile the regulatory measures identified pursuant to Article 403.1; and

   (b) to cooperate in the development of future regulatory measures pursuant to Article 408.

4. The RCT may establish any administrative practices it considers necessary to fulfil its mandate.

5. Each Party that participates in a reconciliation process shall ensure that its reconciled measures are consistent with this Agreement.

6. In undertaking reconciliation, Parties should consider any relevant international obligations.

7. The RCT shall prepare an annual report on its work that will be published on this Agreement's website.

Work plans

8. Based on the regulatory measures identified pursuant to Article 403.1, the RCT shall submit an annual work plan to the Committee that contains:

   (a) the reconciliation agreements to be concluded over the next one to two years;

   (b) the regulatory measures to be addressed through the reconciliation agreements;

   (c) the desired outcome for each reconciliation agreement; and

   (d) any identified regulatory measures that will be postponed for a future work plan.

9. The RCT may, by consensus, remove previously identified regulatory measures from a work plan.

Action Plans and Reconciliation Agreements

10. For each item in a work plan, the RCT shall establish a working group comprised of representatives of each Party, except representatives of Parties that have taken an exception pursuant to Article 405 and those that do not have a regulatory measure to be reconciled pursuant to Article 406.1, except as provided in Article 406.2.

11. If an item on a work plan contains regulatory measures that fall within the scope of Article 701.1(b) (Scope and Coverage), the working group established under paragraph 10 may also include labour mobility coordinators designated by a Party.

12. The working group shall develop an action plan to achieve a reconciliation agreement. Each action plan shall include:

(a) timelines for negotiating the reconciliation agreement;

(b) deadlines within the reconciliation process for a Party to identify a regulatory measure as an exception pursuant to Article 405; and

(c) any considerations to be brought to the attention of the RCT.

13. In accordance with an action plan and with support from the RCT, the working group shall develop a reconciliation agreement as referred to in Article 403.

14. A reconciliation agreement shall include:

(a) the regulatory measures being reconciled;

(b) the obligations to achieve reconciliation through means such as:

(i) harmonization;

(ii) mutual recognition;

(iii) equivalency; or

(iv) such other method as the Parties may agree;

(c) the extent to which the reconciliation agreement addresses the barrier identified by a Party pursuant to Article 403.1;

(d) a timeline for implementation; and

(e) a process to address changes in circumstances.

15. A reconciliation agreement may include a dispute resolution process such as mediation, as provided for in Article 1000.2 (Cooperation), to assist in the avoidance of any dispute that may arise under the reconciliation agreement.

16. The RCT representatives, excluding those representatives of Parties that have taken an exception pursuant to Article 405 and those that do not have a regulatory measure to be reconciled pursuant to Article 406.1, must collectively endorse the reconciliation agreement before it is sent to their Parties for signature.

Joint Development of Future Regulatory Measures

17. In the cooperative commitments under Article 408, the RCT may:

(a) provide a forum for the Parties to discuss future regulatory measures;

(b) consider proposed regulatory measures identified by a Party as suitable for joint development; and

(c) assist the Parties in the joint development of future regulatory measures.

Chapter Five - Government Procurement

Article 500: Purpose

The purpose of this Chapter is to establish a transparent and efficient framework to ensure fair and open access to government procurement opportunities for all Canadian suppliers.

Article 501: Application of General Rules

Notwithstanding Article 200.2 (Application), Article 202 (Legitimate Objectives) applies to measures regarding covered procurement.

Article 502: General Principles

1. Each Party shall provide open, transparent, and non-discriminatory access to covered procurement by its procuring entities.

2. With respect to any measure regarding covered procurement, each Party shall accord to:

   (a) the goods and services of any other Party, including those goods and services included in construction contracts, treatment no less favourable than the best treatment the Party accords to its own such goods and services; and

   (b) the suppliers of goods and services of any other Party, including those goods and services included in construction contracts, treatment no less favourable than the best treatment the Party accords to its own suppliers of such goods and services.

3. With respect to the Government of Canada, paragraph 2 means that it shall not discriminate:

   (a) between the goods or services of a particular Province or region, including those goods and services included in construction contracts, and those of any other Province or region; or

   (b) between the suppliers of such goods or services of a particular Province or region and those of any other Province or region.

Article 503: General Procurement Rules

1. A procuring entity shall not prepare, design, or otherwise structure a procurement, select a valuation method, or divide procurement requirements in order to avoid the obligations of this Agreement. This includes actions such as dividing required quantities of the goods or services to be procured, or diverting funds to entities not covered by this Chapter or to buying groups in a manner designed to avoid the obligations of this Chapter.

2. A procuring entity shall not use options, cancel a procurement, or modify an awarded contract in a manner that circumvents the obligations of this Chapter.

3. A procuring entity shall not impose or consider, in the evaluation of tenders or the award of contracts, local content or other economic benefits criteria that are designed to favour:

(a) the goods or services of a particular Province or region, including those goods and services included in construction contracts; or

(b) the suppliers of a particular Province or region of such goods or services.

4. Except as otherwise required to comply with international obligations, and provided that its purpose is not to avoid competition or to discriminate against any other Party's goods, services, or suppliers, nothing in this Chapter shall prevent a procuring entity from:

(a) according a preference for Canadian value-added; or

(b) limiting its tendering to Canadian goods, services, or suppliers.

5. Except as otherwise provided in this Chapter, including Article 513, the following is an illustrative list of practices that are considered to be inconsistent with Articles 502.1, 502.2, or 502.3:

(a) according a preference for local goods, services, or suppliers;

(b) scheduling events in the tendering process in order to prevent suppliers from submitting tenders;

(c) specifying quantities of, or delivery schedules for, the goods or services to be supplied in order to prevent suppliers from meeting the requirements of the procurement;

(d) using price discounts or preferential margins in order to favour particular suppliers;

(e) limiting participation in a procurement only to suppliers that have previously been awarded one or more contracts by a procuring entity;

(f) requiring prior experience if not essential to meet the requirements of the procurement;

(g) providing information to one supplier in order to give that supplier an advantage over other suppliers; and

(h) adopting or applying any registration system or qualification procedure with the purpose or the effect of creating unnecessary obstacles to the participation of suppliers of any other Party in its procurement.

Article 504: Scope and Coverage

Application

1. This Chapter applies to any measure regarding covered procurement within Canada.

2. For the purposes of this Chapter, covered procurement means procurement for governmental purposes:

(a) by a procuring entity;

(b) of a good, a service, or any combination thereof, not procured with a view to commercial sale or resale, or for use in the production or supply of a good or service for commercial sale or resale;

(c) by any contractual means, including purchase, lease, and rental, with or without an option to buy;

(d) for which the value, as estimated in accordance with Article 505, equals or exceeds the relevant threshold set out in paragraph 3 of this Article, at the time of publication of a tender notice in accordance with Article 506; and

(e) that is not otherwise excluded from coverage under paragraph 11 or in a Party's Schedule to Annex 519.1 .

Thresholds

3. The thresholds for covered procurement are:

(a) for departments, ministries, agencies, boards, councils, committees, commissions, and similar agencies of a Party:

(i) $25,000 or greater for goods, if the largest portion of the procurement is for goods;

(ii) $100,000 or greater for services, excluding construction, if the largest portion of the procurement is for services; or

(iii) $100,000 or greater for construction;

(b) for regional, local, district, and other forms of municipal government, municipal organizations, school boards, and publicly-funded academic, health, and social service entities as well as any corporation or entity owned or controlled by one or more of the preceding entities:

(i) $100,000 or greater for goods or services, excluding construction; or

(ii) $250,000 or greater for construction;

(c) for Crown corporations, government enterprises, and other entities that are owned or controlled by a Party through ownership interests:

(i) $500,000 or greater for goods or services, excluding construction; or

(ii) $5,000,000 or greater for construction.

4. These thresholds will be adjusted for inflation in accordance with Annex 504.4.

Buying Groups

5. A procuring entity shall ensure that any procurement conducted through a buying group is carried out in a manner consistent with this Chapter.

6. A buying group shall publish a notice for each procurement. The notice must list the participating procuring entities and must outline the potential for other procuring entities to participate in the procurement after the procurement instrument has been put in place.

7. A procuring entity shall publish a notice of its participation with the buying group at least annually on one of the tendering websites or systems designated by its Party. That notice shall direct potential suppliers to the buying group tender notices website if it is different from its Party's tendering websites or systems.

8. Subject to Article 503.1, when a procuring entity procuring through a buying group has little or no control over the procurement process, it is not required to ensure that the procurement is consistent with this Chapter.

9. Paragraphs 5 through 8 do not apply to subcontracting under a covered procurement provided that the subcontracting does not include situations where the supplier is authorized as an agent of the procuring entity and is able to enter into contracts that bind, and are enforceable by, the procuring entity.

Public-Private Partnerships

10. Paragraphs 5 through 9, Article 506.6(g), Articles 508.2 through 508.4, Article 508.6, Article 514, and Articles 516.3 through 516.5 do not apply to a procuring entity if procuring under the terms of a public-private partnership.

Non-Application

11. This Chapter does not apply to:

(a) public employment contracts;

(b) non-legally binding agreements;

(c) any form of assistance, such as grants, loans, equity infusions, guarantees, and fiscal incentives;

(d) a contract awarded under a cooperation agreement between a Party and an international cooperation organization if the procurement is financed, in whole or in part, by the organization, only to the extent that the agreement includes rules for awarding contracts that differ from the obligations of this Chapter;

(e) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;

(f) measures necessary to protect intellectual property, provided that the measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or are a disguised restriction on trade;

(g) procurement or acquisition of:

(i) fiscal agency or depository services;

(ii) liquidation and management services for regulated financial institutions; or

(iii) services related to the sale, redemption, and distribution of public debt, including loans and government bonds, notes, and other securities;

(h) procurement of:

(i) financial services respecting the management of government financial assets and liabilities (*i.e.* treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;

(ii) health services or social services;

(iii) services that may, under applicable law, only be provided by licensed lawyers or notaries; or

(iv) services of expert witnesses or factual witnesses used in court or legal proceedings; or

(i) procurement of goods or services:

(i) financed primarily from donations that require the procurement to be conducted in a manner inconsistent with this Chapter;

(ii) by a procuring entity on behalf of an entity not covered by this Chapter;

(iii) between enterprises that are controlled by or affiliated with the same enterprise, or between one government body or enterprise and another government body or enterprise;

(iv) by non-governmental bodies that exercise governmental authority delegated to them;

(v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;

(vi) under a commercial agreement between a procuring entity which operates sporting or convention facilities and an entity not covered by this Chapter that contains provisions inconsistent with this Chapter;

(vii) conducted for the specific purpose of providing international assistance, including development aid, provided that the procuring entity does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers; or

(viii) conducted:

(A) under the particular procedure or condition of an international agreement relating to the stationing of troops or relating to the joint implementation by the signatory countries of a project; or

(B) under the particular procedure or condition of an international organization, or funded by international grants, loans, or other assistance, if the procedure or condition would be inconsistent with this Chapter.

12. For greater certainty, if a contract awarded by an entity is not covered by this Chapter, this Chapter shall not be construed to cover any good or service component of that contract.

Set-asides

13. This Chapter does not apply to procurement that is part of a small business set-aside program provided that the program is fair, open, transparent, and does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers.

Article 505: Valuation

1. In estimating the value of a procurement for the purpose of determining whether it is a covered procurement, a procuring entity shall:

(a) estimate what the value would be as of the date the tender notice will be published; and

(b) include the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account all forms of remuneration, including:

(i) premiums, fees, commissions, and interest; and

(ii) the total value of options if the procurement provides for the possibility of options.

2. If the procurement is for construction, a procuring entity shall include in its valuation the value of all goods and services to be supplied by the supplier. The procurement of goods or services outside the scope of a construction contract is not a procurement for construction, and are subject to the thresholds applicable to goods or services.

3. If a procurement for goods will include the installation, operation, maintenance, or manufacture of such goods, a procuring entity shall include in its valuation those associated costs.

Article 506: Tender Notices

1. A procuring entity shall publish a tender notice for each covered procurement on one of the tendering websites or systems designated by its Party.

2. Each Party shall notify the Secretariat of those designated tendering websites or systems on the effective date. A Party shall notify the Secretariat of any amendment to its notification.

3. The Parties recognize that the Government of Canada will be developing an electronic Canada-wide single point of access (“SPA”) in accordance with international obligations.

4. Once developed, the Government of Canada shall consult with the other Parties in order to determine how to adapt the SPA for the purposes of this Agreement. Once all Parties agree that the SPA is suitable for the purposes of this Agreement, a procuring entity shall make its tender notices for each covered procurement directly accessible through the SPA.

5. All tender notices shall be available to suppliers free of charge.

6. Each tender notice shall include:

(a) the name and address of the procuring entity and other information necessary to contact the procuring entity and obtain all relevant documents relating to the procurement, and their cost and terms of payment, if any;

(b) a brief description of the procurement;

(c) the nature and the quantity, or estimated quantity, of the goods or services to be procured unless those requirements are included in tender documentation;

(d) the address and final date for the submission of tenders;

(e) the date, time, and place for any public opening of tenders;

(f) a list and brief description of any conditions for participation of suppliers, including any requirements for specific documents or certifications to be provided by suppliers, unless those requirements are included in tender documentation that is made available to all interested suppliers at the same time as the tender notice;

(g) a statement that the procurement is subject to this Chapter;

(h) the time-frame for delivery of goods or services, or the duration of the contract;

(i) a description of any options, unless those requirements are included in tender documentation;

(j) the procurement method that will be used, and whether it will involve negotiation or electronic auction;

(k) if, pursuant to Article 508, a procuring entity intends to select a limited number of qualified suppliers to be invited to tender, the criteria that will be used to select them and, if applicable, any limitation on the number of suppliers that will be permitted to tender, unless the criteria and any limitations are included in tender documentation; and

(l) the language or languages in which tenders or responses to requests for prequalification may be submitted, if they may be submitted in a language other than that of the tender notice.

Article 507: Conditions for Participation

1. A procuring entity shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal and financial capacities, and the commercial and technical abilities, to undertake the relevant procurement.

2. In establishing the conditions for participation, a procuring entity:

(a) shall not impose a condition that, in order for a supplier to participate in a procurement, the supplier has previously been awarded one or more contracts by a procuring entity of a Party;

(b) may require relevant prior experience if essential to meet the requirements of the procurement; and

(c) shall not require prior experience in the territory of the Party to be a condition of the procurement.

3. In assessing whether a supplier satisfies the conditions for participation, a procuring entity shall:

(a) evaluate the financial capacity and the commercial and technical abilities of a supplier on the basis of that supplier's business activities both inside and outside the territory of the Party of the procuring entity; and

(b) base its evaluation on the conditions that the procuring entity has specified in advance in its tender notices or tender documentation.

4. If there is supporting evidence, a Party, including its procuring entities, may exclude a supplier on grounds such as:

(a) bankruptcy or insolvency;

(b) false declarations;

(c) significant or persistent deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts;

(d) final judgments in respect of serious crimes or other serious offences;

(e) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the supplier; or

(f) failure to pay taxes.

Article 508: Prequalification of Suppliers

1. A procuring entity may limit tenders to prequalified suppliers provided that the prequalification process is consistent with this Chapter.

2. A request for prequalification inviting interested suppliers to apply for inclusion on a prequalification list shall be published in a tender notice annually on one of the tendering websites or systems designated by its Party and shall include:

(a) the criteria that will be used to prequalify suppliers, unless those requirements are included in the qualification documentation;

(b) a statement that only the suppliers on the prequalified list will receive further notices of procurement covered by the list; and

(c) the period of validity of the list, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list.

3. Notwithstanding paragraph 2, where a prequalification list will be valid for three years or less, a procuring entity may publish the request for prequalification only once, at the beginning of the period of validity of the list, provided that the request for prequalification states the period of validity and that further requests will not be published.

4. A procuring entity shall allow all prequalified suppliers to participate in a particular procurement, unless the procuring entity states in its request for prequalification any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers.

Standing Arrangements

5. A procuring entity may establish standing arrangements using a procurement method that is consistent with this Chapter.

6. In issuing a call for a standing arrangement, a procuring entity shall indicate how subsequent purchases will be made from a supplier under a standing arrangement.

Article 509: Technical Specifications and Tender Documentation

Technical Specifications

1. A procuring entity shall not prepare, adopt, or apply any technical specification or prescribe any conformity assessment procedure with the purpose or the effect of creating unnecessary obstacles to trade.

2. In prescribing technical specifications for the goods or services being procured, a procuring entity shall, if appropriate:

(a) set out the technical specification in terms of performance and functional requirements, rather than design or descriptive characteristics; and

(b) base the technical specification on standards, if they exist.

3. A procuring entity should avoid the use of technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer, or supplier. If the technical specifications are used in that manner, a procuring entity shall indicate that it will consider tenders of equivalent goods or services that demonstrably fulfil the requirement of the procurement by including words such as “or equivalent” in the tender documentation.

4. A procuring entity shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation or adoption of any technical specification for a specific procurement from a person who has a commercial interest in the procurement.

5. For greater certainty, a Party, including its procuring entities may, in accordance with this Article, prepare, adopt, or apply technical specifications to promote the conservation of natural resources or protect the environment.

6. For greater certainty, this Chapter is not intended to preclude a Party, including its procuring entities, from preparing, adopting, or applying technical specifications it considers necessary to protect sensitive government information, including specifications that may affect or limit the storage, hosting, or processing of such information outside Canada. For the purposes of this paragraph, “government information” includes third party information held by or on behalf of the government and “sensitive” information includes confidential, classified, or otherwise protected information.

Tender Documentation

7. A procuring entity shall make available to suppliers tender documentation that includes all information necessary to permit suppliers to prepare and submit responsive tenders. Tender documentation shall include all pertinent details concerning:

(a) the evaluation criteria that will be used in the evaluation of tenders, including the methods of weighting and evaluation, unless price is the sole criterion; and

(b) the requirements to be fulfilled by the supplier, and the terms or conditions applicable to the tender, including, if applicable:

(i) technical specifications;

(ii) requirements for servicing or warranty;

(iii) transition costs;

(iv) applicable conformity assessment certification, plans, drawings, or instructional materials; and

(v) requirements related to the submission of the tender.

8. In establishing the date for the delivery of goods or the supply of services being procured, a procuring entity shall take into account factors such as the complexity of the procurement, the extent of subcontracting anticipated, and the realistic time required for production, de-stocking, and transport of goods from the point of supply or the realistic time required for supply of services.

Article 510: Modifications, Clarification, or New Information

1. A procuring entity shall make available to all suppliers any new information or clarification of the original information set out in the tender documentation provided in response to questions from one or more suppliers, in an open, fair, and timely manner.

2. Prior to the final date for the submission of tenders, if a procuring entity modifies the evaluation criteria or the requirements set out in the tender documentation, or amends or reissues a tender notice or the tender documentation, the procuring entity shall:

(a) publish the modifications or amended or re-issued tender notice or tender documentation on the tendering website or system used by the procuring entity; and

(b) extend, if appropriate, the final date for the submission of tenders to allow adequate time for suppliers to modify and re-submit amended tenders.

Article 511: Time Periods

A procuring entity shall, consistent with its own reasonable needs, provide a reasonable period of time for suppliers to prepare and submit responsive tenders, taking into account factors such as:

(a) the nature and complexity of the procurement;

(b) the extent of subcontracting anticipated; and

(c) the time necessary for transmitting tender documentation by non-electronic means.

Article 512: Negotiation

1. If consistent with its own laws, a Party may provide for its procuring entities to conduct negotiations with suppliers if:

(a) the procuring entity has indicated its intent to conduct negotiations in the tender notice required under Article 506; or

(b) it appears from the procuring entity's evaluation that no tender is obviously the most advantageous in terms of the specific evaluation criteria set out in the tender documentation.

2. A procuring entity shall ensure that any elimination of suppliers participating in negotiations is carried out in accordance with the evaluation criteria set out in the tender documentation, and shall:

(a) if negotiations are conducted concurrently with multiple suppliers, provide a common deadline for the participating suppliers to submit any new or revised tenders; or

(b) if negotiations are conducted consecutively with one supplier at a time, provide a deadline for the participating supplier to submit any new or revised tender prior to proceeding to negotiate with the next ranked supplier.

3. In the course of negotiations, a procuring entity shall not give an unfair advantage to, or discriminate against, a supplier.

Article 513: Limited Tendering

1. Subject to paragraphs 2 and 3, and provided that it does not use this provision for the purpose of avoiding competition among suppliers or in a manner that discriminates against suppliers of any other Party or protects its own suppliers, a procuring entity may use limited tendering in the following circumstances:

(a) if:

(i) no tenders were submitted or no suppliers requested participation;

(ii) no tenders that conform to the essential requirements of the tender documentation were submitted;

(iii) no suppliers satisfied the conditions for participation; or

(iv) the submitted tenders were collusive,

provided that the requirements of the tender documentation are not substantially modified;

(b) if the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute goods or services exist for any of the following reasons:

(i) the requirement is for a work of art;

(ii) the protection of patents, copyrights, or other exclusive rights;

(iii) due to an absence of competition for technical reasons;

(iv) the supply of goods or services is controlled by a supplier that is a statutory monopoly;

(v) to ensure compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative;

(vi) work is to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;

(vii) work is to be performed on a leased building or related property, or portions thereof, that may be performed only by the lessor; or

(viii) the procurement is for subscriptions to newspapers, magazines, or other periodicals;

(c) for additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services:

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and

(ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity;

(d) if strictly necessary, and for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time using open tendering;

(e) for goods purchased on a commodity market;

(f) if a procuring entity procures a prototype or a first good or service that is developed in the course of, and for, a particular contract for research, experiment, study, or original development. Original development of a first good or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the good or service is suitable for production or supply in quantity to acceptable quality standards, but does not include quantity production or supply to establish commercial viability or to recover research and development costs;

(g) for purchases made under exceptionally advantageous conditions that only arise in the very short term in the case of unusual disposals such as those arising from liquidation, receivership, or bankruptcy, but not for routine purchases from regular suppliers;

(h) if a contract is awarded to a winner of a design contest provided that:

(i) the contest has been organized in a manner that is consistent with the principles of this Chapter, in particular relating to the publication of a tender notice; and

(ii) the participants are judged by an independent jury with a view to a design contract being awarded to a winner; or

(i) if goods or consulting services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or otherwise be contrary to the public interest.

2. A procuring entity may, in its use of limited tendering under paragraphs 1(a) through 1(i), choose not to apply Articles 504.5 through 504.10, Article 506, Article 507, Article 508.5, Article 508.6, Article 509.7, Article 509.8, Articles 510 through 512, Article 514 and Article 515.

3. A procuring entity may, in its use of limited tendering under paragraph 1(i), also choose not to apply Article 516.

Article 514: Electronic Auctions

If a procuring entity intends to conduct a covered procurement using an electronic auction, the procuring entity shall provide each participant, before commencing the electronic auction, with:

(a) the automatic evaluation method, including the mathematical formula, that is based on the evaluation criteria set out in the tender documentation that will be used in the automatic ranking or re-ranking during the auction;

(b) the results of any initial evaluation of the elements of its tender if the contract is to be awarded on the basis of the most advantageous tender; and

(c) any other relevant information relating to the conduct of the auction.

Article 515: Treatment of Tenders and Award of Contracts

Treatment of Tenders

1. A procuring entity shall receive, open, and treat all tenders under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders.

2. A procuring entity shall not penalize any supplier whose tender is received after the final date and time specified for receiving tenders if the delay is due solely to mishandling on the part of the procuring entity.

3. If a procuring entity provides a supplier with an opportunity to correct unintentional errors of form between the opening of tenders and the awarding of the contract, the procuring entity shall provide the same opportunity to all participating suppliers.

Evaluation and Award of Contract

4. To be considered for an award, a tender shall be submitted in writing and shall, at the time of opening, comply with the essential requirements set out in the tender notices and tender documentation and be from a supplier that satisfies the conditions for participation.

5. Unless a procuring entity determines that it is not in the public interest to award a

contract, the procuring entity shall award the contract to the supplier that the procuring entity has determined to be capable of fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the tender notices and tender documentation, has submitted:

(a) the most advantageous tender; or

(b) if price is the sole criterion, the lowest price.

6. If a procuring entity receives a tender from a supplier with a price that is abnormally lower than the prices in other submitted tenders, it may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

Article 516: Transparency of Procurement Information

Information Provided to Suppliers

1. A procuring entity shall promptly inform participating suppliers of its contract award decisions, and, on the request of a supplier, shall do so in writing. Subject to Article 517, a procuring entity shall, on request, provide an unsuccessful supplier with an explanation of the reasons why the procuring entity did not select its tender.

Publication of Award Information

2. No later than 72 days after the award of each contract covered by this Chapter, a procuring entity shall publish a notice on one of the tendering websites or systems designated by its Party. The information shall remain readily accessible for a reasonable period of time. The notice shall include at least the following:

(a) a description of the goods or services procured;

(b) the name and address of the procuring entity;

(c) the name and address of the successful supplier;

(d) the value of the successful tender;

(e) the date of award; and

(f) if limited tendering was used, the conditions and circumstances described in Article 513 that justified its use.

Collection and Reporting of Statistics

3. Each Party shall make available to the Secretariat, on an annual basis, the number and aggregate value of its covered procurement contract awards, broken down by procuring entity type as set out in Article 504.3.

4. If a Party publishes its statistics on an official website, in a manner that is consistent with the requirements of paragraph 3, the Party may, instead of reporting to the Secretariat, provide a link to the website, together with any instructions necessary to access and use those statistics.

5. If a Party requires notices concerning awarded contracts to be published on its tendering website and the notices are accessible through a single database in a form permitting analysis of the contracts covered under this Chapter, the Party may, instead of reporting to the Secretariat, provide a link to that website, together with any instructions necessary to access and use the database.

Article 517: Disclosure of Information

1. Notwithstanding any other provision of this Chapter, a procuring entity shall not provide to any particular supplier information that might prejudice fair competition between suppliers.

2. Nothing in this Chapter shall be construed to require the disclosure of information if disclosure:

(a) would impede law enforcement;

(b) might prejudice fair competition between suppliers;

(c) would prejudice the legitimate commercial interests of third persons, including the protection of intellectual property;

(d) would be contrary to the public interest; or

(e) would be exempt from disclosure under, or its disclosure would contravene, applicable law.

Article 518: Review Procedures

Administrative or Judicial Review Procedures

1. Each Party shall provide a timely, effective, transparent, and non-discriminatory administrative or judicial review procedure through which a Canadian supplier may challenge:

(a) a breach of the Chapter; or

(b) if the supplier does not have a right to challenge directly a breach of this Chapter under the laws of a Party, a failure to comply with a Party's measures implementing this Chapter,

arising in the context of a covered procurement, in which the supplier has, or has had, an interest.

2. If a Party uses an administrative review procedure, findings shall be issued to the supplier within 90 days after the filing of its complaint unless an extension of time is warranted due to extenuating circumstances, in which case the findings will be issued within 135 days after the filing of the complaint.

3. The procedural rules for all challenges and the remedies available to the supplier shall be in writing and made generally available.

Consultations

4. In the event of a complaint by a supplier alleging that there has been a breach or failure as referred to in paragraph 1, the procuring entity and the supplier shall seek to resolve the complaint through consultations. The procuring entity shall accord impartial and timely consideration to the complaint in a manner that is not prejudicial to the supplier's participation in ongoing or future procurement or its right to seek corrective measures under the administrative or judicial review procedure.

Challenges by Suppliers

5. Each supplier shall be allowed a sufficient period of time to prepare and submit a challenge, which in no case shall be less than ten days from the time when the basis of the challenge became known or reasonably should have become known to the supplier.

6. Each Party shall establish or designate at least one impartial administrative or judicial authority that is independent of its procuring entities to receive and review a challenge by a supplier.

7. If a body, other than an authority referred to in paragraph 6, initially reviews a challenge, the Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority that is independent of the procuring entity whose procurement is the subject of the challenge.

Administrative Review Procedures

8. Each Party shall ensure that a review body that is not a court shall have its decision subject to judicial review or have procedures that provide that:

(a) the procuring entity shall respond in writing to the challenge and disclose all relevant documents to the review body;

(b) the participants to the proceedings ("participants") shall have the right to be heard prior to a decision of the review body being made on the challenge;

(c) the participants shall have the right to be represented and accompanied;

(d) the participants shall have access to all proceedings;

(e) the participants shall have the right to request that the proceedings take place in public and that witnesses may be presented; and

(f) the review body shall make its decisions or recommendations in a timely fashion in accordance with paragraph 2, in writing, and shall include an explanation of the basis for each decision or recommendation.

Remedies

9. Each Party shall adopt or maintain procedures that provide for:

(a) rapid interim measures to preserve the supplier's opportunity to participate in the procurement. The interim measures under those procedures may result in the postponement or suspension of the procurement process. The procedures may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether interim measures should be applied. The reasons for not applying those measures shall be provided in writing; and

(b) if a review body has determined that there has been a breach or failure as referred to in paragraph 1, corrective action or compensation for the loss or damages suffered, which may be limited to either the costs for the preparation of the tender or the costs relating to the challenge, or both.

Article 519: Exceptions

1. Covered procurement of a Party is subject to the exceptions set out in theParty's Schedule to Annex 519.1.

2. A Party may exclude a supplier of any other Party from participating in a covered procurement if:

(a) the other Party has set out an exception in its Schedule to Annex 519.1;

(b) that exception excludes or impairs the Party's supplier's access to any procurement opportunities; and

(c) consultations have failed to resolve the matter.

3. A Party's exclusion from participation under paragraph 2 may be equivalent to, but must not be more restrictive than, the extent of the exclusion or impairment of its suppliers' access to any procurement opportunities of the other Party.

4. Consultations under paragraph 2(c) shall be limited to 15 days.

5. Paragraphs 2 through 4 do not apply to procurement relating to:

(a) the Northwest Territories Business Incentive Policy (including the Northwest Territories Manufactured Products Policy and other directly related programs) or successor programs having similar objectives;

(b) the Nunavut Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy) or successor programs having similar objectives and contracts within the terms of Article 24 of the Nunavut Land Claims Agreement;

(c) the Yukon Business Incentive Policy or any successor policy having similar objectives; or

(d) regional economic development exceptions maintained by the Northwest Territories, Nunavut, or Yukon, as described in itsSchedule to Annex 519.1.

Article 520: Government Procurement – Specific Definitions

For the purposes of this Chapter:

buying group means a group of two or more members that combines the purchasing requirements and activities of the members of the group into one joint procurement process. Buying groups include cooperative arrangements in which individual members administer the procurement function for specific contracts for the group, and more formal corporate arrangements in which the buying group administers procurement for group members. Buying groups may consist of a variety of entities, including any combination of procuring entities, private sector entities, or not-for-profit organizations;

Canadian good means a good which, if exported outside of Canada, would qualify as a good of Canada under appropriate rules of origin;

Canadian service means a service provided by a natural person based in Canada;

if a requirement consists of only one service, which is being provided by more than one natural person, the service will be considered to be Canadian if a minimum of 70 percent of the total tender price for the service is provided by natural persons based in Canada;

if a requirement consists of two or more services and the requirement will be certified on an aggregate basis, the service will be considered to be Canadian if a minimum of 70 percent of the total tender price for the service is provided by natural persons based in Canada;

Canadian supplier means a supplier that has a place of business in Canada;

Canadian value-added means:

(a) in relation to services, the proportion of the service contract performed by natural persons based in Canada; and

(b) in relation to goods, the value of the portion of the good produced in Canada or the difference between the dutiable value of imported goods and the selling price, taking into account any value added by manufacturers and distributors,

and including any costs incurred in Canada related to research and development, sales and marketing, communications and manuals, customization and modifications, installation and support, warehousing and distribution, training, and after-sales service;

the preference for Canadian value-added, as used in Article 503.4(a), means the premium, no greater than 10 percent, that may be awarded by a Party during the evaluation of tenders for Canadian value-added, not the required level of Canadian content;

construction means a service that has as its objective the realization by whatever means of civil or building works, based on Division 51 of the United Nations Provisional Central Product Classification (CPC);

covered procurement means the procurement described in Article 504.2;

electronic auction means an iterative process that involves the use of electronic means for the presentation by suppliers of either new prices, or new values for quantifiable non-price elements of the tender related to the evaluation criteria, or both, resulting in a ranking or re-ranking of tenders;

goods means moveable property and includes raw materials, products, equipment, and other physical objects of every kind and description whether in solid, liquid, gaseous, or electronic form;

in writing means any worded or numbered expression that can be read, reproduced, and later communicated. It may include electronically transmitted and stored information;

limited tendering means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice;

prequalification list means a list of suppliers that a procuring entity has determined satisfy the conditions for participation in that list, and that the procuring entity may intend to use more than once;

open tendering means a procurement method whereby all interested suppliers may submit a tender;

place of business means an establishment where a supplier conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours;

procuring entity means an entity whose procurement is covered by this Chapter and not otherwise excluded in a Party's Schedule to Annex 519.1;

public-private partnership means a performance-based contract between public and private sector parties, where the private sector party assumes a share of the risks involved in the integrated delivery of public infrastructure (for example, design, build, operate, maintain, finance/capital at risk). Under the contract, the risks and rewards are allocated between the parties;

qualified supplier means a supplier that a procuring entity recognizes as having satisfied the conditions for participation;

services means all services, including construction, unless otherwise specified;

standing arrangement means an arrangement with a supplier or suppliers under which a procuring entity may buy goods or services from the supplier or suppliers over a period specified in the arrangement. The arrangement includes all terms applicable to the procurement, such as the cost of the good or service and delivery requirements;

statutory monopoly means an enterprise that in any relevant market in the territory of a Party has been designated by law or by governmental authority as the sole provider of a good or service;

supplier means a person or group of persons that provides or could provide goods or services;

technical specification means a tendering requirement that:

(a) lays down the characteristics of a good or a service to be procured, including quality, performance, safety, and dimensions, or the processes and methods for their production or provision; or

(b) addresses terminology, symbols, packaging, marking, or labelling requirements, as they apply to a good or a service;

tender means a submission from a supplier in response to a tender notice;

tender notice means a notice published by a procuring entity inviting interested suppliers to submit a tender, a response to a request for prequalification, or both; and

transition costs means the direct and additional costs incurred by a procuring entity in the process of moving from one supplier or good or service to another. These costs may include those for training of employees and system integration.

Annex 504.4: Inflation Adjustment

1. Pursuant to Article 504.4, the thresholds for covered procurement will be adjusted for inflation in accordance with the following:

(a) the applicable inflation rate will be determined by reference to the latest Industrial Product Price Index ("IPPI") series published by Statistics Canada;

(b) the first adjustment, to take effect on January 1, 2018, will be calculated using the IPPI values for the August 2015 and August 2017 reference periods;

(c) subsequent adjustments will take effect on January 1 every two years after January 1, 2018; and

(d) the adjusted threshold will be rounded to the nearest $100.

2. The adjustment will be calculated using the following formula:

$T_c \times (1 + p) = T_n$, where:

T_c = Current threshold;

p = Percentage increase in prices for the applicable two-year period, determined by the following formula:

$p = \frac{A}{B} - 1$, where:

A = the IPPI value for the August reference period of the year directly before the one in which the adjustment takes effect; and

B = the IPPI value for the August reference period two years before the August reference period in A; and

T_n = New adjusted threshold.

3. The Secretariat shall notify the Parties of the adjusted threshold values no later than November 1 of the year prior to the adjustment taking effect.

Annex 519.1: Party-Specific Exceptions

Schedule of Canada

Procurement Exceptions

For Canada, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. Canadian Security Intelligence Service;
2. Communications Security Establishment;
3. Financial Transactions and Reports Analysis Centre of Canada;
4. Bank of Canada;
5. Canada Pension Plan Investment Board and its subsidiaries;
6. Public Sector Pension Investment Board and its subsidiaries;
7. Senate;
8. House of Commons;
9. Library of Parliament;
10. Office of the Senate Ethics Officer;
11. Office of the Conflict of Interest and Ethics Commissioner; and
12. Parliamentary Protective Service.

B. Exceptions and Notes

1. This Chapter does not apply to procurement:

   (a) by a shared-governance corporation, joint enterprise, mixed enterprise, international organization, and any entity that is not wholly-owned by the Government of Canada. For greater certainty, a shared-governance corporation includes any entity where appointments to the board of directors are not made exclusively by the Government of Canada;

   (b) by commissions under the *Inquiries Act,* RSC 1985, c I-11, as amended;

(c) by a corporation incorporated or acquired by or on behalf of the Royal Canadian Mounted Police for the purpose of performing its functions under the laws of Canada and any corporations that are wholly-owned by such a corporation;

(d) by a corporation incorporated or acquired by or on behalf of any service established by an Act of Parliament to collect information and intelligence respecting the security of Canada and any corporations that are wholly-owned by such a corporation;

(e) in respect of the intervention activities of the Canada Deposit Insurance Corporation or its subsidiaries, or procurement by any subsidiary created in respect of such intervention activities;

(f) by the Canada Lands Company Limited or its subsidiaries for the development of real property for commercial sale or resale;

(g) by any successor entity to an entity whose procurement is not covered under this Chapter;

(h) in respect of shipbuilding and repair, including related architectural and engineering services, by any Crown corporation for which the Minister of Transport is specified, or was specified on the effective date, as the appropriate Minister in respect of that corporation;

(i) in relation to an international crossing between Canada and another country, including the design, construction, operation or maintenance of the crossing, as well as any related infrastructure;

(j) of transportation services, leasing, and rental of transportation equipment, or transportation services incidental to a procurement contract by Marine Atlantic Inc., Canada Post Corporation, or pilotage authorities established pursuant to the *Pilotage Act*, RSC 1985, c P-14, as amended;

(k) by the Canadian Air Transport Security Authority for security screening, including services and goods that are related or incidental to security screening;

(l) related to space projects for the Canadian Space Agency;

(m) of public relations services; and

(n) conducted for the specific purpose of providing international assistance, including development aid.

2. This Chapter does not apply to:

(a) industrial and technological benefits applied under the Industrial and Technological Benefits Policy, or any successor policy having similar

objectives, to a procurement that exceeds $20 million provided that the evaluation of regional benefits in the tendering process is carried out in a non-discriminatory manner with respect to regions; and

(b) industrial and regional benefits applied under the Industrial and Regional Benefits Policy, to a procurement that exceeds $2 million, provided that the evaluation of regional benefits in the tendering process is carried out in a non-discriminatory manner with respect to regions.

3. The Government of Canada reserves the right to exclude any newly created entity from coverage under this Chapter in instances in which the disclosure of that entity's procurement would put the safety of Canadians at risk.

Schedule of Ontario

Procurement Exceptions

For Ontario, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. Offices of the Legislative Assembly

B. Exceptions and Notes

1. Article 507.1 and Article 509.1 do not apply to procurement that targets poverty reduction for disadvantaged natural persons if the value of the procurement is below $200,000.

2. This Chapter does not cover procurement relating to a jointly-owned international crossing between Ontario and another country, or a sub-central jurisdiction of that country, including the design, construction, operation, or maintenance of the crossing as well as any related infrastructure. This exception does not apply to procurement conducted solely by Ontario.

Schedule of Quebec

Procurement Exceptions

For Québec, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. National Assembly of Quebec and its Officers

B. Exceptions and Notes

1. This Chapter does not cover procurement:

   (a) of the following goods by Hydro-Québec (identified in accordance with the Harmonized System Codes (HS)): HS 7308.20; HS 8406; HS 8410; HS 8426; HS 8504; HS 8535; HS 8536; HS 8537; HS 8544; HS 8705.10; HS 8705.20; HS 8705.90; HS 8707; HS 8708; HS 8716.39; HS 8716.40;

   (b) of the following services by Hydro-Québec (identified in accordance with the United Nations Provisional Central Products Classification (CPC)):

   84 – Computer and related services;
   86724 – Engineering design services for the construction of civil engineering works;
   86729 – Other engineering services;

   (c) of goods purchased for representational or promotional purposes, or for services or construction services purchased for representational or promotional purposes outside the province;

   (d) of services contracts, excluding construction services contracts, which grant to a supplier the right to provide and exploit a service to the public as complete or partial consideration for the delivery of a service under a procurement contract;

   (e) of the following services:

   (i) transportation services provided by local-owned trucks for hauling aggregate on highway construction projects;

   (ii) integrated engineering services for transportation infrastructure turnkey projects;

   (iii) advertising and public relations services.

2. Quebec may require that final assembly takes place in Canada when purchasing mass transit vehicles.

3. Quebec reserves the right to adopt or maintain any measure favouring local outsourcing in the case of construction services contracts awarded by Hydro-Québec. For greater certainty, such a measure would not be a condition for participation or qualification of suppliers.

Schedule of Nova Scotia

Procurement Exceptions

For the Government of Nova Scotia, the following is not covered by this Chapter:

A. Excluded Entities

None

B. Exceptions and Notes

For the Government of Nova Scotia, the Government Procurement Chapter does not cover the following procurement:

1. Goods purchased for representational or promotional purposes; or services or construction purchased for representational or promotional purposes outside Nova Scotia.

2. Any of the Government of Nova Scotia's covered procuring entities may derogate from the Government Procurement Chapter in order to promote regional economic development, subject to the following conditions:

    (a) Any procurement qualifying for a derogation pursuant to this paragraph shall:

        (i) be undertaken to support small firms or employment opportunities in a non-urban area; and

        (ii) have an overall value of no more than $1 million, or if the overall total value exceeds $1 million, the value of the part of the contract that would be excluded will not exceed $1 million.

    (b) the derogation will only be utilized up to a maximum of ten times per calendar year;

    (c) any procurement being funded by the Government of Canada may not be excluded; and

    (d) when the Government of Nova Scotia intends to rely on this derogation to exclude all or part of a procurement, at least 30 days prior to the signing of the relevant procurement agreement, the Government of Nova Scotia will notify the other Parties of its intention to utilize this derogation. Such notification will include:

        (i) details of the circumstances justifying the derogation as provided in this paragraph;

        (ii) name(s) of the firm(s) and region(s) at issue; and

(iii) an explanation as to how the intended derogation conforms with the requirements of this paragraph.

3. Ground ambulance-related and telecommunications procurement for Emergency Health Care purposes.

Schedule of New Brunswick

Procurement Exceptions

For New Brunswick, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. New Brunswick Power Corporation and all of its existing future subsidiaries and affiliates
2. Municipal energy utilities
3. Provincial Holdings Limited
4. Atlantic Lottery Corporation
5. Wastewater Commissions (exception below)

(Note: the thresholds for currently covered entities will remain the same as they are in their current AIT Annexes.)

The following entities are only covered by this Chapter above the CETA thresholds and are only covered for goods, services and construction that are covered by CETA:

- Forest Protection Limited
- New Brunswick Research & Productivity Council
- Wastewater Commissions are excluded except for the Fredericton Area Pollution Control Commission and the Greater Moncton Sewerage Commission
- Regional Solid Waste Commissions listed as listed in CETA
- New Brunswick Arts Board
- New Brunswick Credit Union Deposit Insurance Corporation
- Farm Products Commission
- New Brunswick Museum

B. Exceptions and Notes

1. For New Brunswick, this Chapter does not cover procurement of:

   (a) services that may, under the applicable laws of the Party issuing the tender, only be provided by the following licensed professionals regardless of value: veterinarians and land surveyors, engineers, architects, and accountants below CETA threshold**.** Engineers, architects and accountants are not covered regardless of value for those entities that are not covered by CETA;

(b) transportation services provided by locally-owned trucks for hauling aggregate on highway construction projects covered above CETA threshold for those entities covered by CETA;

(c) advertising and public relation services;

(d) marketing management consulting services below CETA threshold. Marketing management consulting services are not covered regardless of value for those entities that are not covered by CETA;

(e) if construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt compound and pre-mixed concrete for use in the construction or repair of roads covered above CETA threshold for those entities covered by CETA;

(f) goods purchased for representational or promotional purposes or services or construction purchased for representational or promotional purposes outside the territory of a Party covered above CETA threshold for those entities covered by CETA;

(g) procurement of any goods the interprovincial movement of which is restricted by laws not inconsistent with this Agreement covered above CETA threshold for those entities covered by CETA;

(h) local food.

2. Any of New Brunswick's covered procuring entities may derogate from this Chapter in order to promote regional economic development.

(a) Any procurement being excluded under this paragraph shall:

(i) be undertaken to support small firms or employment opportunities in a non-urban area; and

(ii) have an overall value of no more than $1 million but the overall value of the procurement exceeds $1 million, up to $1 million of that overall procurement may be excluded;

(b) the exclusion will only be utilized by New Brunswick up to a maximum of ten times per calendar year;

(c) any procurement being funded by the Government of Canada may not be excluded; and

(d) in each case where New Brunswick intends to rely on this exclusion to exclude all or part of a procurement, at least 30 days prior to its execution of

the applicable procurement agreement it will notify the Parties of its intention to utilize this exclusion. Such notification will include:

(i) details of the circumstances justifying the exclusion;

(ii) name(s) of the firm(s) and region(s) at issue; and

(iii) an explanation as to how the intended exclusion conforms with the requirements of paragraph 2.

Conditions:

3. New Brunswick submits this “hybrid negative list” procurement offer without prejudice and reserves the right to make changes to their procurement offer based the following:

The formal approval by Cabinet of a negative list has been conditioned by a “modified ratchet” allowing for the possibility that newly created entities must be consulted and approve of their coverage under this Agreement. If they do not agree they will be placed on the modified negative list.

Schedule of Manitoba

Procurement Exceptions

For Manitoba, the following is not covered by this Chapter:

A. Excluded Entities

None.

B. Exceptions and Notes

None.

Schedule of British Columbia

Procurement Exceptions

1. Subject to paragraph 2, if a Party has set out a procurement exception in its Schedule to this Annex, that same procurement exception shall apply to that Party and its suppliers with respect to any procurement of British Columbia and its procuring entities. For greater certainty, if a Party has named an entity in its exception, this includes a comparable entity of British Columbia or, if there is no comparable entity, an entity of British Columbia engaged in comparable functions.

2. Paragraph 1 only applies to a procurement exception set out by a Party in its Schedule to this Annex if British Columbia has provided written notice to that Party, through the Secretariat, that paragraph 1 will apply to that exception.

3. Paragraph 1 does not apply to any measure listed as a procurement exception in Article 519.5 as it exists on the effective date, but does apply to any amendment to any such measure that decreases the conformity of the measure with this Agreement, as the measure existed immediately before the amendment. For greater certainty, in the previous sentence, “any amendment to any such measure” includes any successor measure or any amendment to a successor measure.

Schedule of Prince Edward Island

Procurement Exceptions

For Prince Edward Island, the following is not covered by this Chapter:

A. Excluded Entities

None

B. Exceptions and Notes

1. Architects below CETA threshold regardless of the value for those entities that are not covered by CETA.

2. Engineers below CETA threshold regardless of the value for those entities that are not covered by CETA.

3. Construction materials that are used for highway construction and maintenance (reference: PEI Public Purchasing Act Regulations [Section 11(1)(i)].

4. Goods purchased for representational or promotional purposes, and services and construction purchased for representational or promotional purposes outside the territory of a Party.

5. Local Food.

6. Article 507.1 and Article 509.1 do not apply to procurement that targets poverty reduction for disadvantaged natural persons if the value of the procurement is below $200,000.

7. Any of Prince Edward Island's covered procuring entities may derogate from this Chapter in order to promote regional economic development.

    (a) Any procurement qualifying for a derogation pursuant to this paragraph shall:

        (i) be undertaken to support small firms or employment opportunities in a non-urban area; and

        (ii) have an overall value of no more than $1 million, but if the overall value of the procurement exceeds $1 million, up to $1 million of that overall procurement may be excluded;

    (b) the exclusion will only be utilized by Prince Edward Island up to a maximum of ten times per calendar year;

    (c) any procurement being funded by the Government of Canada may not be excluded; and

(d) in each case where Prince Edward Island intends to rely on this exclusion to exclude all or part of a procurement, at least 30 days prior to its execution of the applicable procurement agreement, it will notify the Parties of its intention to utilize this exclusion. Such notification will include:

(i) details of the circumstances justifying the exclusion;

(ii) name(s) of the firm(s) and region(s) at issue; and

(iii) an explanation as to how the intended exclusion conforms with the requirements of this paragraph.

Schedule of Saskatchewan

Procurement Exceptions

For Saskatchewan, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. SaskPower

B. Exceptions and Notes

This Chapter does not apply to:

- The procurement of goods for representational or promotional purposes, and the procurement of services or construction for representational or promotional purposes outside the territory of a Party.

Schedule of Alberta

Procurement Exceptions

For Alberta, the following is not covered by this Chapter:

A. Excluded Entities

None

B. Exceptions and Notes

None

Schedule of Newfoundland and Labrador

Procurement Exceptions

For Newfoundland and Labrador the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. Research & Development Corporation of Newfoundland and Labrador and any subsidiary thereof

B. Exceptions and Notes

1. Subject to otherwise applicable exceptions, this Chapter covers procurements undertaken by Nalcor Energy and any of its existing or future subsidiaries or affiliates (collectively "**Nalcor**"), as follows:

   (a) All procurements undertaken by Newfoundland & Labrador Hydro above the applicable monetary thresholds;

   (b) All procurements undertaken by any other Nalcor entity above the applicable monetary thresholds, except for:

      (i) Any procurements that relate to the oil and gas sector;

      (ii) Any construction-related procurements where work on the applicable construction project has commenced prior to the effective date; and

      (iii) With regard to construction projects where work on the project commences after the effective date, Nalcor reserves the right to derogate from the Chapter for up to 30 percent of construction-related procurement on the project, based on total value of all construction-related procurement undertaken on the project; and

2. Any of Newfoundland and Labrador's covered entities may derogate from this Chapter in order to promote regional economic development, subject to the following conditions:

   (a) Any procurement qualifying for a derogation pursuant to this paragraph shall:

      (i) be of a total value estimated at $1 million, or less; and

      (ii) support small firms or employment opportunities in non-urban areas.

(b) If the procurement meets the requirement of subparagraph (a)(ii) but its total value exceeds $1 million, the value of that part of the contract that would be affected by the derogation will not exceed $1 million.

(c) Newfoundland and Labrador's covered entities may not derogate pursuant to this paragraph more than ten times in total per calendar year.

(d) A procurement will not qualify for a derogation pursuant to this paragraph if it is funded by the Government of Canada.

(e) Newfoundland and Labrador will notify the other Parties of any derogation taken pursuant to this paragraph at least 30 days prior to the signing of the relevant procurement contract. Such notice will include:

(i) details of the circumstances justifying a derogation pursuant to this paragraph;

(ii) information regarding the name of the firm(s) and/or area(s) where the procurement is expected to provide regional economic benefits; and

(iii) an explanation as to how the procurement complies with the requirements of this paragraph.

Schedule of Yukon

Procurement Exceptions

For Yukon, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. Regional, local, district or other forms of municipal government

2. Francophone School Board and publicly funded academic, health and social service entities;

3. Legislative Assembly;

4. Elections Yukon;

5. Yukon Information & Privacy Commissioner;

6. Yukon Conflict of Interest Commissioner;

7. Yukon Ombudsman; and

8. Yukon Child and Youth Advocate.

B. Exceptions and Notes

1. This Chapter does not include procurement subject to the Yukon Business Incentive Policy or any successor policy having similar objectives. For goods and services, the purposes of this policy are: to maximize the employment opportunities for Yukon residents resulting from the purchase of goods and services by the government; to encourage the use of Yukon materials and manufactured products in goods and services supplied to the government; and to encourage growth in the manufacturing sector, resulting in the availability of more products Yukon goods and services to the general public. For construction services, the purposes of this policy are: to maximize the employment opportunities for Yukon residents in government construction projects; to maximize the use of Yukon materials and manufactured products in government construction projects; to encourage the use of Yukon apprentices in government construction projects; and to encourage the employment of Yukon youth in government construction projects.

2. Article 518.9 does not apply to Yukon procurements that are below the thresholds prescribed in CETA. For greater certainty, paragraph 9(b) does not apply to Yukon in respect of Yukon's exception under paragraph 9(a).

3. Yukon may derogate from this Chapter in order to promote regional economic development, without providing undue support to monopolistic activities.

   (a) Any procurement qualifying for a derogation shall:

      (i) be of a total value estimated at one million dollars, or less; and

      (ii) support small enterprises or employment opportunities.

   (b) If a procurement meets the requirement of subparagraph (a) (ii) but its total value exceeds one million Canadian dollars, the value of the part of the contract that would be affected by the derogation may not exceed one million dollars.

   (c) Yukon may not derogate from the procurement provisions of this Chapter more than ten times per year.

   (d) A procurement qualifying for a derogation shall be notified at least 30 days prior to the signing of a procurement contract, accompanied by:

      (i) the details of the circumstances justifying a derogation pursuant to this Note;

      (ii) the information regarding the name of the enterprise(s) and/or area(s) to which the procurement is expected to provide regional economic benefits; and

      (iii) an explanation of reasons for the conformity of the procurement with the requirements of this exception.

Schedule of the Northwest Territories

Procurement Exceptions

For the Northwest Territories, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. The Legislative Assembly.

2. All other procuring entities as described under Article 504.3 are covered, at the following revised thresholds (and subject to Article 504.4):

   (a) For the procuring entities described under Article 504.3(a), the thresholds at Article 504.3(a) are amended to (i) $150,000 or greater for goods or services, if the largest portion of the procurement is for goods or services; or (ii) $500,000 or greater for construction.

   (b) For the procuring entities described under Article 504.3(b), the thresholds at Article 504.3(b) are amended to (i) $300,000 or greater for goods or services, excluding construction; or (ii) $7,500,000 or greater for construction.

   (c) For the procuring entities described under Article 504.3(c), the thresholds at Article 504.3(c) are amended to (i) $500,000 or greater for goods or services, excluding construction; or (ii) $7,500,000 or greater for construction.

   For greater certainty, if a procuring entity falls under the description at Article 504.3(a) and Article 504.3(b), the applicable thresholds are those set out in (b) above. If a procuring entity falls under the description at Article 504.3(a) and Article 504.3(c), the applicable thresholds are those set out in (c) above.

B. Exceptions and Notes

1. This Agreement does not cover procurement subject to the Northwest Territories Business Incentive Policy (including the Northwest Territories Manufactured Products Policy and other directly related programs) or successor programs having similar objectives.

2. Article 518.9 shall only apply to the government entities described at Article 504.3(a) if the procurement value is (i) $300,000 or greater for goods or services, if the largest portion of the procurement is for goods or services; or (ii) $7,500,000 or greater for construction.

3. Procuring entities may derogate from this Chapter in order to promote regional economic development by supporting small enterprises or employment opportunities, without providing undue support to monopolistic activities. Notice of such procurements shall be made publicly available and include information with regard to the procurement and successful supplier.

   For procurements of goods or services in excess of $300,000 and construction in excess of $7,500,000, the following additional restrictions shall apply to a derogation from this Chapter for the purposes of regional economic development:

   (a)

      (i) if the total value of the procurement of goods or services exceeds $1,000,000 or the total value of the procurement of construction exceeds $7,500,000, then the value of the part of the contract that would be affected by the derogation must not exceed $1,000,000; or

      (ii) if the procurement of goods or services is valued at $1,000,000 or less, then the entire value of the contract may be affected by the derogation;

   (b) this derogation may not be used more than ten times per year; and

   (c) a procurement shall not qualify for a derogation if it is funded by the Government of Canada.

Schedule of Nunavut

Procurement Exceptions

For Nunavut, the following is not covered by this Chapter:

A. Excluded Entities

The following entities are not covered by this Chapter:

1. The Legislative Assembly.

2. All other procuring entities as described under Article 504.3 are covered, at the following revised thresholds (and subject to Article 504.4):

   (a) For the procuring entities described under Article 504.3(a), the thresholds under Article 504.3(a) are amended to (i) $150,000 or greater for goods or services, if the largest portion of the procurement is for goods or services; or (ii) $500,000 or greater for construction.

   (b) For the procuring entities described under Article 504.3(b), the thresholds at Article 504.3(b) are amended to (i) $300,000 or greater for goods or services, excluding construction; or (ii) $7,500,000 or greater for construction.

   (c) For the procuring entities described under Article 504.3(c), the thresholds at Article 504.3(c) are amended to (i) $500,000 or greater for goods or services, excluding construction; or (ii) $7,500,000 or greater for construction.

   For greater certainty, if a procuring entity falls under Article 504.3(a) and Article 504.3(b), the applicable thresholds are those set out in (b) above. If a procuring entity falls under Article 504.3(a) and Article 504.3(c), the applicable thresholds are those set out in (c) above.

B. Exceptions and Notes

1. This Agreement does not cover procurement subject to the Nunavut Nunavummi Nangminiqaqtunik Ikajuuti (NNI Policy) or successor programs having similar objectives, and contracts within the terms of Article 24 of the Nunavut Land Claims Agreement.

2. Procuring entities may derogate from this Chapter in order to promote regional economic development by supporting small enterprises or employment opportunities, without providing undue support to monopolistic activities. Notice of such procurement shall be made publicly available and include information with regard to the procurement and successful supplier.

For procurements of goods or services in excess of $300,000 and construction in excess of $7,500,000, the following additional restrictions shall apply to a derogation from this Chapter for the purposes of regional economic development:

(a)

(i) if the total value of the procurement of goods or services exceeds $1,000,000 or the total value of the procurement of construction exceeds $7,500,000, then the value of the part of the contract that would be affected by the derogation must not exceed $1,000,000; or,

(ii) if the procurement of goods or services is valued at $1,000,000 or less, then the entire value of the contract may be affected by the derogation;

(b) This derogation may not be used more than ten times per year; and

(c) a procurement shall not qualify for a derogation if it is funded by the Government of Canada.

3. Only Article 502.2 applies to procurement targeting poverty reduction for disadvantaged people for which the value is below $300,000.

4. Article 518.9 shall only apply to the government entities described in Article 504.3(a) where the procurement value is (i) $300,000 or greater for goods or services; or (ii) $7,500,000 or greater for construction.

Chapter Six - Environmental Protection

Article 600: Scope and Coverage

This Chapter applies to any environmental measure adopted or maintained by a Party that may affect trade, investment, or labour mobility within Canada.

Article 601: Context and Objectives

The Parties recognize that environmental protection and trade can be mutually supportive and that sustainable development should be part of an overall approach to trade. Environmental protection includes climate change mitigation and adaptation, and ensuring the sustainability of natural resources such as fish, forests, clean air, and water.

Article 602: Relationship to Other Agreements

Nothing in this Agreement shall be construed to affect the rights and obligations of the Parties under environmental agreements, including conservation agreements, in effect on the effective date.

Article 603: Environmental Considerations

1. Each Party shall, in dealing with trade, investment, and labour mobility, take into account the need to restore, maintain, and enhance the environment.

2. Each Party shall pay special attention to facilitating the removal of barriers to trade and investment concerning goods and services of particular relevance for environmental protection.

Article 604: Right to Regulate and Levels of Protection

1. Each Party has the right to establish its own environmental priorities and levels of environmental protection in its territory consistent with this Agreement and to adopt or maintain its environmental measures accordingly.

2. Each Party shall ensure that its measures provide for high levels of environmental protection and shall continue to endeavour to improve those levels of protection.

Article 605: Scientific and Technical Information

1. Each Party shall, when preparing and implementing environmental measures that may affect trade or investment, take into account relevant scientific and technical information and related national or international standards, guidelines, or recommendations, if they exist.

2. An environmental measure shall not be considered to be inconsistent with this Agreement by reason solely of the lack of full scientific certainty regarding the need for that measure.

3. Nothing in this Chapter prevents a Party from informing the scientific basis for an environmental measure with traditional knowledge, in particular that of the Aboriginal peoples of Canada.

Article 606: Upholding Levels of Protection

A Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental measures as an encouragement for trade or investment in its territory.

Chapter Seven - Labour Mobility

Article 700: Purpose

The purpose of this Chapter is to eliminate or reduce measures adopted or maintained by the Parties that restrict or impair labour mobility within Canada and, in particular, to enable any worker certified for an occupation by a regulatory authority of one Party to be recognized as qualified for that occupation by all other Parties.

Article 701: Scope and Coverage

1. This Chapter applies to any measure adopted or maintained by a Party relating to:

   (a) residency requirements for workers as a condition of access to employment opportunities or as a condition of certification relating to a worker's occupation;

   (b) certification requirements, other than residency requirements, for workers in order to practice an occupation or use a particular occupational title; and

   (c) occupational standards.

2. This Chapter does not apply to:

   (a) social policy measures including labour standards and codes, minimum wages, employment insurance qualification periods, and social assistance; and

   (b) Quebec's, Nunavut's, and the Northwest Territories' measures pertaining to their official language requirements.

Article 702: Extent of Obligations

1. For the purposes of Article 103(d) (Extent of Obligations), each Party shall, through appropriate measures, ensure compliance with this Chapter by non-governmental bodies that exercise authority delegated by law.

2. Each Party shall, through appropriate measures, seek compliance with this Chapter by non-governmental bodies other than those that exercise authority delegated by law.

Article 703: Relationship to Other Agreements

If there is an inconsistency in a particular case between a provision of this Chapter and a provision of any other agreement between two or more Parties respecting matters covered by this Chapter, the agreement that is more conducive to labour mobility in that particular case prevails to the extent of the inconsistency. For greater certainty, any such agreement may prevail only as between the Parties that are party to that agreement.

Article 704: Residency Requirements

1. Subject to Article 707, a Party shall not require a worker of a Party to be resident in its territory as a condition of:

(a) eligibility for employment; or

(b) certification relating to the worker's occupation.

2. With respect to the Government of Canada, paragraph 1(a) means that, subject to Article 707, it shall not require a worker of a Party to be a resident of a particular province or territory as a condition of eligibility to apply, in an external appointment or hiring process, for appointment or hiring to a position or job in:

(a) federal public service departments, departmental corporations, Crown corporations, separate agencies, and other portions of the public administration, that are listed in Schedules I to VI of the *Financial Administration Act* (Canada), as amended; and

(b) other Crown corporations, as defined in the *Financial Administration Act* (Canada), as amended, that are not covered under paragraph (a).

Article 705: Certification of Workers

1. Subject to paragraphs 2, 3, 4, and 6, and Article 707, any worker certified for an occupation by a regulatory authority of a Party shall, upon application, be certified for that occupation by each other Party that regulates that occupation without any requirement for any material additional training, experience, examinations, or assessments as part of that certification procedure.

2. Subject to paragraphs 3 and 4, and Article 707, each Party shall recognize any worker holding a jurisdictional certification bearing the Red Seal endorsement under the Interprovincial Standards Red Seal Program as qualified to practice the occupation identified in the certification.

3. A regulatory authority of a Party may, as a condition of certification for any worker referred to in paragraphs 1 or 2, impose requirements on that worker (other than requirements for material additional training, experience, examinations, or assessments), including requirements to:

(a) pay an application or processing fee;

(b) obtain insurance, malpractice coverage, or similar protection;

(c) post a bond;

(d) undergo a criminal background check;

(e) provide evidence of good character;

(f) demonstrate knowledge of the measures maintained by that Party applicable to the practice of the occupation in its territory; or

(g) provide a certificate, letter, or other evidence from the regulatory authority in each territory in which they are currently certified confirming that their certification in that territory is in good standing;

provided that:

(h) subject to paragraph 5(c), any requirements referred to in paragraphs (a) through (f) are the same as, or substantially similar to, but no more onerous than, those imposed by the regulatory authority on its own workers as part of the normal certification process; and

(i) the requirement does not create a disguised restriction on labour mobility.

4. Nothing in paragraphs 1 or 2 limits the ability of a regulatory authority of a Party to:

(a) refuse to certify a worker or impose terms, conditions, or restrictions on his or her ability to practice if such action is considered necessary to protect the public interest as a result of complaints or disciplinary or criminal proceedings in any other jurisdiction relating to the competency, conduct, or character of that worker;

(b) impose additional training, experience, examinations, or assessments as a condition of certification if the person has not practiced the occupation within a specified period of time;

(c) notwithstanding Article 808 (Language), require the worker to demonstrate proficiency in either English or French as a condition of certification if no equivalent language proficiency requirement was imposed on, and satisfied by, the worker as a condition of the worker's certification in his or her current certifying jurisdiction; or

(d) assess the equivalency of a practice limitation, restriction, or condition imposed on a worker in his or her current certifying jurisdiction to any practice limitation, restriction, or condition that may be applied by the regulatory authority to a worker in its territory, and apply an equivalent practice limitation, restriction, or condition to the worker's certification, or, if the regulatory authority has no provision for applying an equivalent limited, restricted, or conditional certification, refuse to certify the worker;

provided that:

(e) any such measure is the same as, or substantially similar to, but no more onerous than, that imposed by the regulatory authority on its own workers; and

(f) the measure does not create a disguised restriction on labour mobility.

5. Subject to Article 707, each Party shall ensure that any measure that it adopts or maintains relating to certification of workers of any other Party:

(a) is published on the website of the relevant regulatory authority or through a readily accessible website of the Party;

(b) results in expeditious certification; and

(c) except for actual cost differentials, does not impose fees or other costs that are more burdensome than those imposed on its own workers.

6. If a worker has been certified for an occupation by a regulatory authority of a Party, nothing in this Article prevents a regulatory authority of any other Party from permitting the worker to practice that occupation in its territory without further certification.

Article 706: Occupational Standards

1. Each Party may adopt or maintain any occupational standard, and in doing so, may establish the level of protection that it considers to be appropriate in the circumstances. The Parties agree to take steps to reconcile differences in occupational standards, to the extent possible and where practical.

2. Further to paragraph 1, each Party shall, to the extent possible and where practical, adopt occupational standards based on common interprovincial standards, including occupational standards developed for the Interprovincial Standards Red Seal Program, or international standards. The Parties acknowledge their continued commitment to the Interprovincial Standards Red Seal Program, including the use of National Occupational Analyses, as a well-established means of establishing common interprovincial standards for trades.

3. If occupational standards have not been established in the territory of a Party in respect of a particular occupation but exist in the territory of any other Party, and the Party without the occupational standards wishes to develop such occupational standards, it shall do so in a manner conducive to labour mobility. A Party intending to develop such occupational standards shall notify the other Parties of its intent and afford them an opportunity to comment on the development of those occupational standards.

4. If occupational standards do not exist in the territory of any other Party in respect of an occupation and a Party considers it necessary to establish occupational standards for that occupation, the process of development of new occupational standards shall occur in a manner conducive to labour mobility. A Party intending to develop new occupational standards shall notify the other Parties of its intent and afford them an opportunity to comment on the development of those occupational standards.

5. If a Party considers it necessary to make changes to any standards in respect of an occupation, the process for making such changes shall occur in a manner conducive to

labour mobility. A Party intending to make such changes shall notify the other Parties and afford them an opportunity to comment on the change to those standards.

Article 707: Legitimate Objectives for Labour Mobility

1. If it is established that a measure falling within the scope and coverage of this Chapter is inconsistent with Article 201 (Non-Discrimination), Article 704, or Articles 705.1, 705.2, or 705.5, that measure is permissible under this Chapter provided that:

(a) the purpose of the measure is to achieve a legitimate objective for labour mobility;

(b) the measure is not more restrictive to labour mobility than necessary to achieve that legitimate objective for labour mobility; and

(c) the measure does not create a disguised restriction to labour mobility.

2. For greater certainty, for purposes of the application of paragraph 1(b) to Articles 705.1, 705.2, or 705.5, a mere difference between the certification requirements of a Party related to academic credentials, education, training, experience, examination, or assessment methods and those of any other Party is not, by itself, sufficient to justify the imposition of additional education, training, experience, examination, or assessment requirements as necessary to achieve a legitimate objective for labour mobility. In the case of a difference related to academic credentials, education, training, or experience, the Party seeking to impose an additional requirement must be able to demonstrate that any such difference results in an actual material deficiency in skill, area of knowledge, or ability. As an example, the imposition of a requirement for additional education, training, or experience may be justified under paragraph 1(b) if a Party can demonstrate that:

(a) there is a material difference between the scope of practice of the occupation for which the worker is seeking to be certified in its territory and the scope of practice of the occupation for which the worker has been certified by the regulatory authority of another Party; and

(b) as a result of that difference, the worker lacks a critical skill, area of knowledge, or ability required to perform the scope of practice of the occupation for which the worker seeks to be certified.

3. If a Party adopts or maintains a measure under paragraph 1, it shall give notice in writing to the Forum of Labour Market Ministers (“Forum”) of the measure, in the form, and containing the information, considered appropriate by the Forum. The notice shall indicate the Party’s justification for the measure and the anticipated duration of the measure.

4. The Forum shall develop and implement a framework for the Parties to establish a list of specific measures taken under paragraph 1 for which notice has been given to the Forum under paragraph 3. This list will be published online by the Forum.

Article 708: Implementation, Administration, and Assessment

1. The Forum shall:

   (a) promote the implementation of and ongoing adherence to this Chapter, and develop a work plan or plans related to the objectives of this Chapter;

   (b) develop and implement the framework for the implementation of Article 706;

   (c) develop the form and content required for notices under Article 707.3;

   (d) develop and implement the framework for the posting of measures under Article 707.4; and

   (e) annually produce a report on the operation of this Chapter and submit that report to the Committee.

2. The annual report referred to in paragraph 1(e) shall include:

   (a) an assessment of the effectiveness of this Chapter, including an assessment of whether there have been any unintended adverse consequences, together with appropriate recommendations to address concerns identified in the assessment, including recommended amendments to this Chapter;

   (b) a list of measures for which notice has been given under Article 707.3, together with a description of their respective justification and their anticipated duration; and

   (c) a summary of any disputes that have arisen between the Parties during the year concerning the interpretation or application of this Chapter, and the results of any consultations or other dispute resolution procedures resorted to by the Parties concerned to resolve the disputes.

3. The Forum may establish any committees that it considers necessary to assist it in the implementation of any work plan. The committees may be composed of representatives of the Parties and, if appropriate, of relevant regulatory authorities, other non-governmental bodies, and interest groups.

PART IV – EXCEPTIONS

Chapter Eight - General Exceptions

Article 800: Aboriginal Peoples

1. This Agreement does not apply to any measure adopted or maintained by a Party with respect to Aboriginal peoples. It does not affect existing aboriginal or treaty rights of any of the Aboriginal peoples of Canada under section 35 of the *Constitution Act, 1982.*

2. For greater certainty, nothing in this Agreement shall prevent a Party from fulfilling its obligations under its treaties with Aboriginal peoples, including land claims agreements.

Article 801: National Security

Nothing in this Agreement shall be construed to:

(a) require the Government of Canada to provide, or allow access to, information the disclosure of which it determines to be contrary to national security; or

(b) prevent the Government of Canada from taking any action that it considers necessary to protect national security interests or, pursuant to its international obligations, for the maintenance of international peace and security.

Article 802: Taxation

Except for Article 320 (Prohibited Incentives) and Article 321 (Avoidance of Certain Incentives), this Agreement does not apply to any measure adopted or maintained by a Party relating to taxation or to secure compliance with any measure relating to taxation.

Article 803: Water

1. The Parties recognize that water in its natural state, including water in lakes, rivers, reservoirs, aquifers, and water basins, is not a good or a product. Except for Chapter Six (Environmental Protection), water in its natural state is not subject to the terms of this Agreement.

2. Each Party has the right to protect and preserve its natural water resources. Nothing in this Agreement obliges a Party to permit the commercial use of water for any purpose, including its withdrawal, extraction, or diversion, for export in bulk.

3. If a Party permits the commercial use of a specific water source, it shall do so in a manner consistent with this Agreement.

4. Article 307 (Market Access - Services) and Article 312 (Market Access - Investment) do not apply to any measure adopted or maintained by a Party relating to the collection, distribution, or purification of water.

Article 804: Divestitures

A Party, when selling or disposing of an equity interest in, or the assets of, a government enterprise or a government 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 a Party or non-Party or their investments. With respect to such a sale or other disposition, a Party may also adopt or maintain any measure relating to the nationality or residency of senior management or members of the board of directors.

Article 805: Social Services

The Parties reserve 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.

Article 806: Tobacco Control Measures

This Agreement does not apply to any measure adopted or maintained by a Party relating to tobacco control.

Article 807: Services Supplied in the Exercise of Governmental Authority

1. Except for:

(a) Part D of Chapter Three (Special Provisions);

(b) Chapter Five (Government Procurement); and

(c) Chapter Seven (Labour Mobility),

nothing in this Agreement applies to services supplied in the exercise of governmental authority.

2. For the purposes of this Article, a service supplied in the exercise of governmental authority means any service that is not supplied on a commercial basis, or in competition with one or more service suppliers.

Article 808: Language

This Agreement does not apply to any measure adopted or maintained by a Party relating to language, provided that the measure does not constitute a disguised restriction on trade.

Article 809: Culture

This Agreement does not apply to any measure adopted or maintained by a Party with respect to culture or cultural industries.

Article 810: Canadian Citizenship and Permanent Residency Requirements

Except for measures falling within the scope and coverage of Chapter Seven (Labour Mobility), Article 201 (Non-Discrimination) does not apply to any measure adopted or maintained by a Party requiring Canadian citizenship or permanent residency.

Article 811: Gambling and Betting

1. Article 201 (Non-Discrimination) and Article 313 (Performance Requirements) do not apply to:

(a) any existing measure maintained by a Party relating to gambling and betting;

(b) the continuation or prompt renewal of any measure referred to in paragraph (a); or

(c) an amendment to any measure referred to in paragraph (a) to the extent that the amendment does not decrease the conformity of the measure with those obligations as it existed immediately before the amendment.

2. Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), and Article 312 (Market Access - Investment) do not apply to any measure adopted or maintained by a Party relating to gambling and betting.

Article 812: Collective Marketing

1. Article 307 (Market Access - Services) and Article 312 (Market Access - Investment) do not apply to any measure adopted or maintained by a Party relating to collective marketing arrangements for agricultural goods, including activities such as production, pricing, buying, selling, or any other activity to prepare the product in a form or make it available at a place or time for purchase for consumption or use.

2. Article 301.2 (Right of Entry and Exit) does not apply to:

(a) any measure relating to collective marketing arrangements for poultry and eggs regulated pursuant to the *Farm Products Agencies Act* (Canada), as amended, and milk and dairy products regulated pursuant to the *Canadian Dairy Commission Act* (Canada), as amended, and the *Agricultural Products Marketing Act* (Canada), as amended, adopted or maintained by a Party that restricts or prevents the movement of an agricultural good and relates to the good's entry into or exit out of that Party's territory;

(b) any measure relating to collective marketing arrangements not covered under paragraph (a), adopted or maintained by a Party that restricts or prevents the movement of an agricultural good and relates to the good's exit out of that Party's territory; or

(c) any existing measure relating to collective marketing arrangements not covered under paragraph (a), maintained by a Party that restricts or prevents the movement of an agricultural good and relates to the entry of the good into that Party's territory.

3. Article 301.3 (Right of Entry and Exit) does not apply to any measure adopted or maintained by the Government of Canada that restricts or prevents the movement of an agricultural good across provincial or territorial boundaries for the purpose of maintaining collective marketing arrangements.

4. Any Party that establishes a new collective marketing arrangement that may have a significant effect on trade or investment in agricultural goods shall notify the Parties pursuant to Article 402 (Regulatory Notification).

5. If a Party considers that the establishment of a new, or a modification to an existing, collective marketing arrangement of any other Party may adversely affect its trade or investment interests, it may request consultations with that other Party regarding the matter.

6. During the consultations, a Party may request additional information on the collective marketing arrangement of the other Party, including the policy objective supporting the new arrangement or modification of the existing arrangement and measures taken to limit any potential distortive effect on trade or investment.

7. The other Party shall accord full and sympathetic consideration to any representations made by the requesting Party during the consultations and, based on them, shall endeavour to eliminate or minimize any adverse effects on the requesting Party's trade or investment interests.

Article 813: Passenger Transportation Services

Article 307 (Market Access - Services) and Article 312 (Market Access - Investment) do not apply to any measure adopted or maintained by a Party relating to the transportation of passengers.

Chapter Nine - Party-Specific Exceptions

Article 900: Extent of Party-Specific Exceptions

1. Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment), Article 313 (Performance Requirements), and paragraph 2 of Annex 309 do not apply to:

(a) any existing non-conforming measure maintained by a Party as set out in that Party's Schedule to Annex I in Part VII (Party Schedules);

(b) any existing non-conforming measure maintained by a regional, local, district, or other form of municipal government;

(c) the continuation or prompt renewal of any non-conforming measure referred to in paragraph (a) or (b); or

(d) an amendment to any non-conforming measure referred to in paragraph (a) or (b) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Article 201, Article 301, Article 307, Article 312, Article 313, and paragraph 2 of Annex 309.

2. Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment), Article 313 (Performance Requirements), and any other obligation as identified by a Party, do not apply to any measure that a Party adopts or maintains with respect to the sectors, subsectors, or activities set out in its Schedule to Annex II in Part VII (Party Schedules).

3. For greater certainty, any exception set out in a Party's Schedules in Part VII (Party Schedules) with respect to any measure relating to agricultural goods or food goods does not apply to that Party's technical regulations, conformity assessment procedures, standards, or sanitary or phytosanitary measures.

4. Notwithstanding paragraph 3, an exception set out in a Party's Schedules in Part VII (Party Schedules) with respect to a measure relating to cannabis may apply to that Party's technical regulations, conformity assessment procedures, standards, or sanitary or phytosanitary measures.

5. For the purposes of applying paragraphs 1 (a) and (b) to Annex 309, "existing" means a measure adopted before September 23, 2020.

Article 901: Interpretation of Annexes I and II

1. The Schedule of each Party to Annex I in Part VII (Party Schedules) sets out, pursuant to Article 900.1, the exceptions taken by each Party with respect to existing measures maintained by a Party that do not conform with Article 201 (Non-Discrimination),

Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment), Article 313 (Performance Requirements), or paragraph 2 of Annex 309.

2. The Schedule of each Party to Annex II in Part VII (Party Schedules) sets out, pursuant to Article 900.2, the exceptions taken by each Party with respect to specific sectors, subsectors, or activities for which it may maintain existing measures or adopt new measures that do not conform with Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment), Article 313 (Performance Requirements), or other obligations as identified by a Party.

3. Each exception sets out the following elements:

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

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

(c) **Industry Classification** refers, where applicable, to the activity covered by the exception, as classified in the CPC;

(d) **Type of Exception** specifies the obligations, referred to in Article 900.1 or Article 900.2, against which the exception is taken;

(e) **Measures**, in the case of Annex I in Part VII (Party Schedules), identifies the laws, regulations, or other measures (as qualified, where indicated, by the Description element) for which the exception is taken. A measure cited in the Measures element means the measure as amended, continued, or renewed, as of the effective date. Notwithstanding Article 900.1, or the conformity of the subordinate measure with the obligations against which the exception is taken, the exception will also include any subordinate measure that may be adopted or maintained under the authority of the listed measure, provided that the subordinate measure is consistent with the listed measure; and

(f) **Description**, in the case of Annex I in Part VII (Party Schedules), sets out the non-conforming aspects of the measure for which the exception is taken, and, in the case of Annex II in Part VII, sets out the sector, sub-sector, or activities covered by the exception.

4. Notwithstanding paragraph 3 (c), for the purposes of the Parties' cannabis-related exceptions, or any subsequent amendment thereof, the following is a list of cannabis-related codes that have been and are to be exclusively used in the Industry Classification and Sub-Sector elements:

A – Cannabis.

B – Services incidental to the production of cannabis plants.

C – Manufacture of cannabis.

D – Wholesale trade services, including on a fee or contract basis.

E – Retailing services, including on a fee or contract basis.

F – All other cannabis-related services not covered by B, C, D, and E.

G – Cannabis accessories.

For purposes of interpreting Parties' cannabis-related exceptions, the Parties intend that the above provides an exhaustive list of all cannabis-related codes, and notwithstanding any subsequent future developments regarding the classification of cannabis or cannabis accessories under the Harmonized Commodity Description and Coding System.

5. In the interpretation of an exception, all elements of the exception shall be considered and:

(a) the exception shall be interpreted in light of the relevant obligations against which the exception is taken;

(b) in the case of an exception in Annex I in Part VII (Party Schedules), 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 inconsistency; and

(c) in the case of an exception in Annex II in Part VII (Party Schedules), the Description element shall prevail over all other elements.

6. For greater certainty, exceptions set out in a Party's Schedules in Part VII (Party Schedules) do not limit the ability of a Party to adopt or maintain any measure pursuant to Chapter Eight (General Exceptions).

Article 902: Cannabis-Related Party-Specific Exceptions

1. Notwithstanding Article 1212 (Amendments) and Article 1213 (Modifications to Party-Specific Exceptions) , if any amendment to the *Cannabis Act* (Canada), the *Food and Drugs Act* (Canada), or any regulations under these Acts, results in the narrowing of the definition of cannabis or cannabis accessory, as defined in Chapter Thirteen, the Parties may amend their cannabis-related exceptions in Part VII, provided that a notice of intent to amend a Party's cannabis-related exceptions is given to the Secretariat within 60 days of the entry into force of the revised definition.

2. Any future amendment shall not decrease the modifying Party's conformity with Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements), or any other obligation as identified by the modifying Party in its cannabis-related exceptions, as that conformity existed immediately before the amendment to the federal definition of cannabis or cannabis accessory.

PART V – INSTITUTIONAL, ADMINISTRATIVE, AND FINAL PROVISIONS

Chapter Ten - Dispute Resolution

Article 1000: Cooperation

1. The Parties undertake to resolve disputes in a conciliatory, cooperative, and harmonious manner.

2. The Parties shall make every attempt through cooperation, consultations, and other dispute avoidance and resolution processes available to them to arrive at a mutually satisfactory resolution of any matter that may affect the operation of this Agreement.

3. The Parties shall make every effort to avoid parallel Proceedings regarding the same measure. If multiplicity of Proceedings becomes an issue, a Party may refer the matter to the Committee for recommended action.

Article 1001: Application and Enforcement Mechanisms

1. This Chapter applies to the avoidance and resolution of disputes between Parties, or Persons and Parties, regarding the interpretation or application of this Agreement.

2. Part B does not apply to Chapter Four (Regulatory Notification, Reconciliation, and Cooperation).

3. Part B does not apply to:

(a) a complaint falling within the scope of Article 518 (Review Procedures); or

(b) measures adopted or maintained by a Party's regional, local, district, or other form of municipal government.

4. Within eighteen months of the effective date, each Party shall have taken steps necessary to ensure that:

(a) an order for Tariff Costs made by a Presiding Body against a Party may be enforced in the same manner as an order against the Crown in the Party's superior courts;

(b) an order for Tariff Costs made by a Presiding Body against a Person of a Party may be enforced in the same manner as an order in the Party's superior courts; and

(c) an order for Monetary Penalties made by a Compliance Panel may be enforced:

(i) in the same manner as an order against the Crown in the Party's superior courts; or

(ii) through a Standby deposited with the Secretariat in the form set out in Annex 1001.4(c)(ii).

5. Each Party shall notify the Secretariat and the other Parties of the enforcement mechanism it has put in place pursuant to paragraph 4.

6. After the effective date, the Secretariat shall report annually to the Committee on the Parties that have not filed a notification under paragraph 5.

7. If a Party has taken an exception against Article 302 (Technical Barriers to Trade) or Article 303 (Sanitary and Phytosanitary Measures) in Annex II of Part VII concerning a cannabis or cannabis accessories-related measure, that Party or a Person of that Party may not initiate or participate in consultations or Proceedings under this Chapter regarding the inconsistency of any other Party's cannabis or cannabis accessories-related measure with the Article against which it has taken an exception.

8. Notwithstanding paragraph 7, a Party or a Person of that Party subject to the prohibition in paragraph 7 may participate in consultations or Proceedings under this Chapter that involve the inconsistency of any other Party's cannabis or cannabis accessories-related measures with, among other obligations under this Agreement, the Article against which the Party subject to paragraph 7 has taken an exception, provided their participation excludes any reference to the application of that Article.

9. For greater certainty, if a Person is a Person of more than one Party within the meaning of Article 1041 (Definitions), paragraphs 7 and 8 only apply to that Person if proceeding under the Party subject to the prohibition in paragraph 7.

Article 1002: Future Review of Application

The Parties shall, within one year after the effective date, undertake a review to determine whether Part B should apply to measures adopted or maintained by a Party's regional, local, district, or other forms of municipal government.

PART A: Government-to-Government Dispute Resolution

Article 1003: Consultations

1. A Party that considers that a measure of another Party is or would be inconsistent with that other Party's obligations under this Agreement may request consultations with that other Party by delivering written notice to that other Party and, on the same date, to the other Parties and to the Secretariat. The notice shall specify the actual or proposed measure complained of, the relevant provisions of this Agreement, and provide a brief summary of the complaint.

2. A Party may not make a request for consultations under this Part for a matter arising under Article 320.1(b) or 320.1(c) (Prohibited Incentives) if more than two years have elapsed from the date when the Party first acquired, or should have first acquired, knowledge of an incentive and knowledge that the Party had incurred injury.

3. A Party may not request consultations under this Article with respect to a measure that is or has been the subject of a request for a Panel under Article 1004 until three years after whichever of the following applies:

(a) the date on which written notice of a mutually satisfactory resolution regarding that measure was filed with the Secretariat under Article 1010.3;

(b) the date of a Report regarding that measure issued under Article 1008 from which no appeal has been taken; or

(c) the date of a final decision regarding that measure following an appeal made under Article 1009.1.

4. A Party that considers itself to have a substantial interest in the matter, within the meaning of Article 1004.11, may participate in the consultations by delivering written notice of its intention to participate to the other Parties and to the Secretariat within 10 days of the delivery by the Initiating Party to the Replying Party of a request made under paragraph 1.

5. The Initiating Party and Replying Party may, by agreement, request the assistance of one or more relevant working groups in resolving the dispute. A list of working groups shall be filed by the Parties with the Secretariat.

6. A request for assistance made under paragraph 5 shall be delivered in writing to each working group being requested to assist, to the Consulting Participants, and to the Secretariat.

7. A working group, in giving assistance requested under paragraph 5, shall consider any matter referred to it as expeditiously as possible, particularly matters regarding perishable goods.

8. If the matter is not resolved to the satisfaction of the Initiating Party and Replying Party within 60 days of delivery by the Initiating Party to the Replying Party of a request

made under paragraph 1, the Initiating Party and Replying Party may, by agreement, request the assistance of relevant responsible Ministers or members of the Committee whose assistance would be helpful in resolving the dispute.

9. A request for assistance from the Initiating Party and Replying Party made under paragraph 8 shall be delivered in writing to those Ministers or members of the Committee, to the Consulting Participants, and to the Secretariat.

10. In providing assistance requested under paragraph 8, those Ministers or members of the Committee may seek the advice of technical experts, establish other working groups or fact-finding bodies, facilitate the use of conciliation, mediation, and other dispute resolution mechanisms, and make recommendations.

11. Consultations shall be confidential and without prejudice to the rights of the Consulting Parties in any Proceedings.

12. The Consulting Parties shall exchange all information necessary to enable a full examination to be made of how the actual or proposed measure, or other matter, may affect the operation of this Agreement. In so doing, the Consulting Parties shall treat any confidential information received on the same basis as the Party providing the confidential information treats it.

Article 1004: Request for Panel

1. If the matter in question has not been resolved to the satisfaction of the Initiating Party or to the satisfaction of a Consulting Participant:

(a) the Initiating Party;

(b) the Consulting Participant; or

(c) the Initiating Party and Consulting Participant jointly,

may make a written request to the Secretariat, with a copy to the Committee, to establish a Panel.

2. A request to establish a Panel may not be made sooner than 120 days after the Initiating Party delivered a request for consultations to the Replying Party under Article 1003.1, but shall be made no later than three years after delivery of the request for consultations. If no request to establish a Panel has been made within three years after delivery of the request for consultations, the Initiating Party and Consulting Participants are deemed to have abandoned the matter that was the subject of the complaint.

3. With respect to a dispute arising under Article 320.1(b) or 320.1(c) (Prohibited Incentives), a request may not be made after two years from the date of delivery by the Initiating Party of a request for consultations to the Replying Party under Article 1003.1 without the consent of the Replying Party.

4. A request to establish a Panel shall:

(a) specify the actual or proposed measure complained of;

(b) list the relevant provisions of this Agreement;

(c) provide a brief summary of the complaint;

(d) explain how the measure has impaired or would impair trade, investment, or labour mobility within Canada; and

(e) identify the actual or potential injury or denial of benefit caused by the actual or proposed measure.

5. If a Complaining Party requests that a Panel be established on behalf of a Person, the Complaining Party shall, at the beginning of the Panel hearing, demonstrate to the satisfaction of the Panel that it has a substantial and direct connection with that Person, within the meaning of paragraphs 6, 7, or 8. If the Complaining Party fails to do so, the Panel shall immediately dismiss the complaint for lack of standing.

6. If the Complaining Party is a Province, it has a substantial and direct connection with a Person if:

(a) the Person resides or carries on business in its territory;

(b) the Person has suffered an economic injury or denial of benefit; and

(c) the consequences of that economic injury or denial of benefit are being felt in its territory.

7. With respect to disputes arising out of Chapter Seven (Labour Mobility), a Party also has a substantial and direct connection with a Person if the Person holds an occupational or professional certificate from that Party and the Person has suffered an economic injury or denial of benefit.

8. If the Complaining Party is the Government of Canada, it has a substantial and direct connection with a Person if the Person has suffered an economic injury or denial of benefit as a result of being treated inconsistently with this Agreement by reason of:

(a) its status as a federally-constituted entity; or

(b) its carrying on business that is a work, undertaking, business, or service that is under the regulatory authority of the Government of Canada.

9. A Party that has a substantial interest in the matter in dispute within the meaning of paragraph 11 is entitled to join the Proceeding as an Intervenor on delivery of written notice to the other Parties and to the Secretariat within 15 days after the date of delivery by a Complaining Party to the Secretariat of a request to establish a Panel.

10. A Consulting Participant, whether or not it has a substantial interest in the matter in

dispute within the meaning of paragraph 11, is entitled to be added as a Complaining Party to a Proceeding on delivery of written notice containing the information set out in paragraph 4 to the other Parties and to the Secretariat within 15 days after the date of delivery by a Complaining Party to the Secretariat of a request to establish a Panel. Another Party may only be added as a Complaining Party to a Proceeding if permitted to do so by the Panel.

11. A Party has a substantial interest in the matter in dispute if:

(a) the Party maintains a measure that is analogous to the one at issue; or

(b) the Party is a Province and has a significant number of Persons carrying on business in its territory who are or will be affected by the actual or proposed measure at issue.

12. If the Complaint Recipient is of the view that the dispute concerns the interpretation or application of Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), and the Complaining Party has not specifically listed that Annex as one of the relevant provisions of this Agreement in its request to establish a Panel, the Complaint Recipient shall notify the Complaining Party regarding the relevancy of that Annex to the dispute by delivery of written notice to the other Parties and the Secretariat within 10 days after the date of delivery by the Complaining Party to the Secretariat of the request to establish a Panel.

Article 1005: Establishment of Presiding Body

1. Subject to Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), and unless inconsistent with, or otherwise required by, provisions in this Chapter, a Presiding Body shall be established in accordance with this Article and shall be composed of three members unless the Disputing Parties agree to a Panel composed of one member.

2. The Parties shall maintain a roster of individuals qualified under Annex 1005.2 to be panellists. The Parties shall maintain a roster of individuals qualified under Annex 1005.2 to be Appellate panellists.

3. Within 30 days after the date of delivery by the Complaining Party to the Secretariat of a request to establish a Presiding Body, each Disputing Party shall appoint one panellist from the roster. If the Parties have agreed to a Presiding Body composed of one member, they must agree, within those 30 days, on a panellist from the roster with administrative law experience as identified pursuant to Rule 4 of Annex 1005.2. Notice of the appointment shall be provided to the Secretariat. The Secretariat shall notify the selected panellist and the other Participating Parties of the appointment.

4. If a Disputing Party fails to appoint a panellist within the 30 days or if the Parties have agreed to a Presiding Body composed of one member and the Parties fail to agree on a panellist within the 30 days, the Secretariat shall select the panellist by lot from the roster.

5. The appointed panellists shall, within 10 days after the last of them has been

appointed, select the chairperson of the Presiding Body from the roster. If they are unable to agree within that period, the Secretariat shall select the chairperson by lot from the roster.

6 If neither of the panellists appointed or selected pursuant to this Article has administrative law experience as identified pursuant to Rule 4 of Annex 1005.2, the panellists or the Secretariat, as the case may be, shall select one panellist from the roster with administrative law experience to be the chairperson.

7. If a Disputing Party requests that the chairperson of a Presiding Body be bilingual (French and English), the chairperson selected pursuant to the procedures set out in paragraphs 5 or 6, as the case may be, shall be bilingual.

8. Unless the Disputing Parties otherwise agree, the panellists or the Secretariat, as the case may be, shall not appoint or select as the chairperson of a Presiding Body a roster member who has been appointed to the roster by a Disputing Party or is resident in a Disputing Party's Province.

9. The Presiding Body shall be established on the date of the selection of the chairperson under paragraphs 5 or 6. The Secretariat shall notify the Participating Parties and the Committee of the establishment of the Presiding Body.

Article 1006: Terms of Reference

Unless otherwise specified or agreed by the Disputing Parties, the terms of reference for a Presiding Body shall be to examine whether the actual or proposed measure, or other matter at issue, is or would be inconsistent with this Agreement.

Article 1007: Presiding Body Rules of Procedure

1. The Panel, Compliance Panel, and Appellate Panel Rules of Procedure in Annex 1007.1 and 1024.1 shall apply to Proceedings under this Part unless modified, if appropriate, by a Presiding Body.

2. A Presiding Body may seek information and expert advice from any Person or body that it considers appropriate, provided that the Participating Parties agree and subject to the following terms and conditions, and any other terms and conditions agreed by the Participating Parties:

(a) If a procedural question arises, the Presiding Body shall first seek advice from the Participating Parties. If the procedural question is not resolved to the satisfaction of the Presiding Body, the Presiding Body may request that the Secretariat obtain independent legal advice on the procedural question; and

(b) A request under paragraph (a) shall be in writing to the Secretariat, with copies to the Participating Parties, and shall outline the procedural question on which advice is sought. The Secretariat shall retain appropriate counsel and transmit the advice immediately to the Presiding Body, with copies to the Participating Parties.

3. All Proceedings before a Presiding Body shall be dealt with as informally and expeditiously as the circumstances and considerations of fairness permit.

4. Subject to Article 203.3 (Transparency) and Article 517.2 (Disclosure of Information), and to all applicable privileges, protections, or requirements, provided for by law, the Disputing Parties shall exchange all information in their possession that is relevant to the issues in dispute, and provide copies to the other Participating Parties, so as to ensure that the issues in dispute are fully presented and heard by the Presiding Body. In so doing, the Disputing Parties and Participating Parties shall treat any confidential information received on the same basis as the Disputing Party providing the confidential information treats it.

Article 1008: Report of Panel

1. The Panel shall issue the Report based on the submissions of the Participating Parties and any other evidence received during the course of the Proceeding.

2. If the Panel cannot release the Report within the period stipulated in Rule 52 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participating Parties in writing of the reasons for the delay together with an estimate of the date by which it will issue the Report.

3. The Report shall contain:

(a) findings of fact;

(b) a determination, with reasons, as to whether the measure in question is or would be inconsistent with this Agreement;

(c) if an affirmative determination has been made under (b), a determination, with reasons, as to whether the measure has impaired or would impair trade, investment, or labour mobility within Canada and has caused or would cause injury or denial of benefit;

(d) recommendations, if requested by a Disputing Party, to assist in resolving the dispute;

(e) if applicable, and at the discretion of the Panel, a stipulation of the period within which the Complaint Recipient shall comply with this Agreement; and

(f) a determination as to apportionment of Operational Costs as provided for in Annex 1040.

4. The Panel retains jurisdiction for the purpose of assessing a cost order after it issues the Report, and may make a cost order at the request of a Disputing Party or on its own initiative.

5. Within 10 days after receipt of the Report, a Participating Party may, with notice to

the chairperson of the Panel, the Secretariat, and the other Participating Parties, request that the Panel:

(a) clarify one or more aspects of the Report, in which case the Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

Article 1009: Appellate Panel: Jurisdiction and Process

1. A Disputing Party may appeal the Report to an Appellate Panel on the grounds that the Panel erred in law, failed to observe a principle of natural justice, or acted beyond or refused to exercise its jurisdiction. An Intervenor may not appeal the Report.

2. If a Disputing Party provides a notice of appeal as provided in Annex 1007.1 and 1024.1, an Appellate Panel shall be established in accordance with Article 1006, except that the members of the Appellate Panel shall be selected from the Appellate Panel Roster established pursuant to Article 1005.2 and Annex 1005.2 and, notwithstanding Article 1005.1 and Article 1005.3, shall be composed of three members.

3. On receipt by the Secretariat of a notice of appeal, any requirement for a Complaint Recipient to comply with this Agreement within a stipulated time, or to pay Operational Costs, is suspended until such time as the appeal, and any subsequent re-hearing by the Panel that may be required, are concluded.

4. The Appellate Panel shall issue the Appellate Report, with reasons, which:

(a) may confirm, vary, rescind, or substitute the Report in whole or in part, or refer the matter back to the Panel for re-hearing; and

(b) shall include an order for of Operational Costs in accordance with Annex 1040, and may include, in the Panel's discretion, an order for Tariff Costs in accordance with Annex 1040.

5. If the Appellate Panel cannot release the Appellate Report within the period stipulated in Rule 65 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participating Parties in writing of the reasons for the delay together with an estimate of the date by which it will issue the Appellate Report.

6. The Appellate Panel retains jurisdiction for the purpose of assessing a cost order after it issues the Appellate Report, and may make a cost order at the request of a Disputing Party or on its own initiative.

7. If a matter is not referred back for re-hearing, the Appellate Report is deemed to be the Report for purposes of determining compliance under Articles 1010.9 through 1010.14 or matters under Article 1027, together with those parts of the Report that have not been

superseded by the Appellate Report.

8. If an Appellate Panel refers a matter back to the Panel for re-hearing, the Secretariat, in consultation with the Participating Parties, shall fix a date to reconvene the Panel forthwith.

9. Within 10 days after receipt of the Appellate Report, a Disputing Party may, with notice to the Secretariat and the other Disputing Parties, request that the Appellate Panel:

(a) clarify one or more aspects of the Appellate Report, in which case the Appellate Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Appellate Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Appellate Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

Article 1010: Mutually Satisfactory Resolution, Confirmation of Compliance, and Request for Compliance Panel

1. The Parties agree that the prompt resolution of disputes is for the benefit of all Parties.

2. Whenever possible, a dispute shall be resolved by removing, amending, or not implementing the measure that is or would be inconsistent with this Agreement.

3. If the Disputing Parties resolve the dispute at any stage of a Proceeding, written notice of the resolution shall be delivered to the other Parties and to the Secretariat. On receipt of the notice by the Secretariat, the Proceeding shall be terminated.

4. Proceedings may be suspended, either at the request of the Disputing Parties or by order of the Presiding Body, in order to continue or resume consultations or to negotiate a mutually satisfactory resolution.

5. If a Proceeding has been suspended pursuant to paragraph 4 and if no Disputing Party has made an application to end the suspension within 36 months of the date of suspension, the complaint that initiated the Proceeding is deemed to have been withdrawn and the Proceeding shall be terminated.

6. If a Panel has determined in a Report that a measure is inconsistent with this Agreement, the Complaint Recipient may notify the Complaining Party that the Complaint Recipient has complied with this Agreement in respect of the matters addressed in the Report. The notice shall be in writing, include a description of the manner of compliance, and be delivered to the Complaining Party, to the other Participating Parties, and to the Secretariat.

7. A Complaining Party may, within 30 days of delivery to it of the notice given under paragraph 6, object to the notice. The objection shall be in writing, include a description of

the reasons for its objection, and be delivered to the Complaint Recipient, to the other Participating Parties, and to the Secretariat.

8. If no objection has been delivered under paragraph 7, a Complaint Recipient that provides notice under paragraph 6 is deemed to have complied with this Agreement in respect of the matters addressed in the Report.

9. One year following the issuance of a Report or, if applicable, an alternate implementation period stipulated by the Panel in the Report, a Disputing Party may request that the Secretariat reconvene the Panel as a Compliance Panel to make a determination as to whether the Complaint Recipient has complied with this Agreement in respect of the matters addressed in the Report.

10. Notwithstanding paragraph 9, a Complaint Recipient may request a Compliance Panel immediately upon the delivery by the Complaining Party to the Complaint Recipient of an objection made under paragraph 7.

11. The Compliance Panel shall issue a Compliance Report containing:

(a) a determination on whether or not the Complaint Recipient has, with regard to the matter in dispute, brought itself into compliance with this Agreement;

(b) if the determination is that there has not been compliance, a Monetary Penalty order made in accordance with Article 1011 and, if there is more than one Complaining Party, the amount of the Monetary Penalty payable by the Complaint Recipient to each;

(c) at the discretion of the Compliance Panel, an order apportioning Operational Costs, as provided for in Annex 1040; and

(d) if an order for a Monetary Penalty has been made, a form of order that:

(i) is enforceable in the same manner as an order against the Crown in the superior courts of the Party against which the order is made; or

(ii) the Secretariat will rely on when, in accordance with Rule 19 of Annex 1007.1 and 1024.1, it demands payment by the financial institution that issued a Standby on behalf of the Party against whom the order is made.

12. The Compliance Panel retains jurisdiction for the purpose of assessing a cost order after it issues the Compliance Report, and may make a cost order at the request of a Disputing Party or on its own initiative.

13. Within 10 days after receipt of the Compliance Report, a Disputing Party may, with notice to the chairperson of the Compliance Panel, the Secretariat, and the other Disputing Parties, request that the Compliance Panel:

(a) clarify one or more aspects of the Compliance Report, in which case the Compliance Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Compliance Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Compliance Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

14. If the Compliance Panel cannot release the Compliance Report within the period stipulated in Rule 70 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participating Parties in writing of the reasons for the delay together with an estimate of the date by which it will issue the Compliance Report.

Article 1011: Monetary Penalty

1. In determining the amount of a Monetary Penalty, the Compliance Panel shall be guided by the primary purpose of a Monetary Penalty which is to encourage compliance with this Agreement. The Compliance Panel shall consider:

(a) the seriousness of the inconsistency with the Complaint Recipient's obligations under this Agreement;

(b) the magnitude of the impact of the inconsistency on the market;

(c) if the Complaint Recipient has previously been found by a Presiding Body in a Proceeding not to have been compliant with this Agreement, whether the complaint has been resolved or remains outstanding;

(d) whether the Complaint Recipient has made efforts, in good faith, to comply with this Agreement in respect of the matters addressed in the Report before the Compliance Panel; and

(e) any other factor it considers relevant.

2. Notwithstanding anything else in this Part, the amount of a Monetary Penalty ordered against a Complaint Recipient shall not exceed the maximum amount set out for a Party in Annex 1011.2 and 1028.2. If there are two or more Complaining Parties in a Proceeding, the Monetary Penalty shall be allocated among them in amounts determined by the Compliance Panel.

Article 1012: Enforcement of Monetary Penalty Order and Tariff Costs Order

1. If a Compliance Panel has made an order for a Monetary Penalty under Article 1010.11, the Monetary Penalty is immediately due and payable. The Complaint Recipient shall pay the Complaining Party the amount stated in the order to be paid by the Complaint Recipient to the Complaining Party, and shall confirm in writing to the Secretariat when it has done so.

2. If the Complaint Recipient is a Party that has implemented the enforcement mechanism for Monetary Penalties referred to in Article 1001.4(c)(i), a Complaining Party in whose favour a Monetary Penalty has been ordered:

(a) may promptly take such registration, filing, or other action, as is required by the legislation or administrative practice of the Complaint Recipient, to commence the process of enforcing the Monetary Penalty in the same manner as an order against the Crown in the Party's superior courts; and

(b) shall immediately advise the Complaint Recipient that the action has been taken,

but may not take further action to enforce the order until 60 days after the date of the order, except by consent of the Complaint Recipient.

3. If a Complaint Recipient that has deposited a Standby with the Secretariat has not paid a Monetary Penalty within 60 days of the issuance of the Compliance Report, the Secretariat shall demand payment in accordance with Rule 19 of Annex 1007.1 and 1024.1.

4. Within 20 days of receiving a notice pursuant to Rule 19 of Annex 1007.1 and 1024.1 that its Standby has been drawn upon, a Complaint Recipient shall replenish the Standby and deposit with the Secretariat written confirmation, signed by the Complaint Recipient's financial institution and addressed to the Secretariat, that the Standby has been replenished to the amount required under Annex 1011.2 and 1028.2.

5. Unless a Party that has filed a Standby has confirmed to the Secretariat and the other Parties that it has taken the steps necessary to ensure enforcement of Monetary Penalties pursuant to Article 1001.4(c)(i), the Party shall file with the Secretariat, no later than 60 days prior to the expiry of its Standby, a new Standby to take effect on the expiry of the former Standby.

6. If an Appellate Panel has made an order for Tariff Costs, the Tariff Costs are immediately due and payable. The Party against which the order was made shall pay the amount stated in the order to the Party in whose favour the order was made, and shall confirm in writing to the Secretariat when it has done so.

7. If the Party against which an order for Tariff Costs has been made is a Party that has implemented the enforcement mechanism for Tariff Costs referred to in Article 1001.4(a), a Party in whose favour the order was made:

(a) may promptly take such registration, filing, or other action, as is required by the legislation or administrative practice of the Party against which the order was made, to commence the process of enforcing the order in the same manner as an order against the Crown in the Party's superior courts; and

(b) shall immediately advise the Party against which the order was made that the action has been taken,

but may not take further action to enforce the order until 60 days after the date of the order, except by consent of the Party against which the order was made.

Article 1013: Non-Implementation - Retaliatory Action

1. If, in the Report, a Panel has determined that an actual measure is inconsistent with this Agreement and the matter has not been resolved within one year after the date on which the Panel issued the Report, or if the Panel has stipulated an alternate implementation period, by the end of such alternate period, the Complaining Party may make a written request for a meeting of the Committee.

2. The Committee or a subcommittee thereof shall, within 30 days after the date of delivery of the request for a meeting, convene to discuss with the Complaining Party the option of taking retaliatory action in respect of the Complaint Recipient.

3. Subject to having discussed the matter with the Committee under paragraph 2, the Complaining Party may suspend benefits of equivalent effect or, if this is impracticable, impose retaliatory measures of equivalent effect against the Complaint Recipient until such time as a mutually satisfactory resolution of the dispute is achieved.

4. In considering what benefits to suspend or retaliatory measures to impose, the Complaining Party shall:

(a) suspend benefits or impose retaliatory measures in the same sector as the measure found to be inconsistent with this Agreement; and

(b) only if the suspension or imposition would be impracticable or ineffective, suspend benefits or impose retaliatory measures in other sectors covered by this Agreement.

5. On the written request of either Disputing Party delivered to the other Parties and the Secretariat, with a copy to the Committee, the Committee shall convene a panel, composed of the original panellists, if possible, within 30 days after the date of delivery of the request to the Secretariat, to determine whether the suspension of benefits or the imposition of retaliatory measures by a Complaining Party under paragraph 3 is manifestly excessive.

6. Any suspension of benefits or imposition of retaliatory measures under paragraph 3 is temporary and shall only be applied until the Complaint Recipient has amended or removed the inconsistent measure or has otherwise taken action to resolve the dispute.

7. On the written request of either Disputing Party delivered to the other Parties and to the Secretariat, with a copy to the Committee, the Committee shall convene a panel, composed of the original panellists, if possible, within 30 days after the date of delivery of the request to the Secretariat, to determine whether any action taken by the Complaint Recipient to resolve the dispute is sufficient or satisfactory.

8. If the panel determines that the action taken by the Complaint Recipient to resolve the dispute is sufficient or satisfactory, the Complaining Party shall terminate the

suspension of benefits or remove the retaliatory measures.

9. Paragraphs 1 through 8 apply to an Intervenor that has participated in the Panel Proceeding and has been found by the original Panel to be adversely affected by the inconsistent measure.

10. For greater certainty and in view of Article 1200 (Reaffirmation of Constitutional Powers and Responsibilities):

(a) this Article does not allow a Party to take retaliatory action that is inconsistent with the Constitution of Canada; and

(b) no Party shall be prevented from challenging in a court of competent jurisdiction any retaliatory action on the ground that the action is inconsistent with the Constitution of Canada.

11. If a Compliance Panel has been established under Article 1010.9 in respect of the Report referred to in paragraph 1, no separate panel shall be established under paragraphs 5 or 7.

12. If a Compliance Panel has been established under Article 1010.9, it shall have the jurisdiction of a panel established under paragraph 5 or 7.

PART B: Person-to-Government Dispute Resolution

Article 1014: Pre-existing Disputes

1. If, before the effective date, a Complaining Person in a Pre-existing Dispute has requested that proceedings be initiated under Article 1712(1) (Initiation of Proceedings by Government on Behalf of Persons) or Article 1713(1) (Initiation of Proceedings by Persons) of the Agreement on Internal Trade, the proceedings in the Pre-existing Dispute shall be conducted in accordance with the provisions of the Agreement on Internal Trade until the dispute is concluded.

2. For greater certainty, a Presiding Body established under Article 1717 (Establishment of Presiding Body), Article 1720 (Appellate Panel: Jurisdiction and Process), or Article 1721 (Mutually Satisfactory Resolution, Confirmation of Compliance and Request for Compliance Panel) of the Agreement on Internal Trade for the purposes of the Pre-existing Dispute shall determine the matter in accordance with the provisions of the Agreement on Internal Trade.

3. The procedures set out in Chapter Seventeen and Annex 1705(1) and 1718(1) (Panel, Compliance Panel and Appellate Panel Rules of Procedure) of the Agreement on Internal Trade shall continue to apply to the Pre-existing Dispute until the dispute is concluded.

4. If a Complaining Person has not made a request that proceedings be initiated pursuant to Article 1712(1) (Initiation of Proceedings by Government on Behalf of Persons) or Article 1713(1) (Initiation of Proceedings by Persons) of the Agreement on Internal Trade before the effective date, resolution of a dispute can only be pursued through the procedures established in this Chapter.

Article 1015: Initiation of Proceedings by Government on Behalf of Persons

1. A Person of a Party may request that the Party initiate, on the Person's behalf, Proceedings under Part A regarding the actual measure of another Party.

2. The request shall be in writing and shall:

(a) specify the actual measure complained of;

(b) list the relevant provisions of this Agreement;

(c) provide a brief summary of the complaint;

(d) provide a description of the administrative remedies pursued or other steps taken, if any, to attempt to resolve the dispute, and the dates, outcomes, and current status of the remedies;

(e) explain how the measure has impaired trade, investment, or labour mobility within Canada; and

(f) identify the actual injury or denial of benefit caused by the measure.

3. Before deciding whether to initiate Proceedings on behalf of the Person, the Party may require the Person to exhaust all administrative remedies available to the Person by written notice given within 30 days after the date of delivery of the Person's request. If, after having exhausted all available administrative remedies, the Person still wishes the Party to pursue Proceedings under Part A on the Person's behalf, it may reissue its request made under paragraphs 1 and 2 by further written notice to the Party.

4. The Party shall decide whether to initiate Proceedings on behalf of the Person:

(a) within 30 days after the date of delivery of the Person's request, if no notice was given to the Person under paragraph 3; or

(b) within 30 days after the date of delivery of the Person's notice to the Party to reissue its request under paragraph 3,

and shall, within that period, provide written notice to the Person of the decision. If the Party chooses not to initiate Proceedings, the notice shall include reasons for the decision. Failure to provide the notice to the Person within the 30-day period is deemed to be notice that the Party has chosen not to initiate Proceedings, for the purposes of Article 1016.1(a).

5. If the Party chooses to initiate Proceedings, it shall request consultations in accordance with Article 1003 within 10 days after it has provided notice to the Person of its decision to initiate Proceedings and thereafter, the matter shall be resolved in accordance with Part A.

6. If the Initiating Party, on behalf of a Person, chooses not to request the establishment of a Panel under Article 1004.1, it shall provide written notice to the Person within 120 days after having delivered a request for consultations under Article 1003.1, setting out reasons for the decision. Failure to provide the notice to the Person within that period is deemed to be notice that the Initiating Party has chosen not to request the establishment of a Panel, for purposes of Article 1016.1(b).

Article 1016: Initiation of Proceedings by Persons

1. Subject to paragraphs 4 and 5, and Articles 1001.2, 1001.3, and 1001.7, a Person of a Party may request that Proceedings be initiated in respect of matters, other than those covered by Chapter Five (Government Procurement), within 60 days after receiving or being deemed to have received:

(a) notice under Article 1015.4 that a Party will not initiate Proceedings on the Person's behalf; or

(b) notice under Article 1015.6 that a Party will not request the establishment of a Panel.

2. The Person requesting that Proceedings be initiated shall provide a request in

writing to the Party of the Person, to the Party complained against, and to the Secretariat. The request shall be accompanied by:

(a) the notice of refusal provided to the Person, or if the notice was not provided, a statement by the Person that no notice of refusal was received;

(b) a brief summary of the dispute, together with copies of the Person's original request made under Article 1015;

(c) if applicable, a waiver provided to the Person pursuant to paragraph 6; and

(d) the acknowledgement and consent form referred to in paragraph 3.

3. The request to initiate Proceedings shall be accompanied by a signed acknowledgement and consent, in a form agreed by the Parties and available from the Secretariat, in which the Person acknowledges its obligation to co-operate and to pay costs, and to post security for the costs, if so ordered by a Presiding Body, and consents to the process set out in this Chapter.

4. No Person is entitled to initiate Proceedings under paragraph 1 if:

(a) more than two years have elapsed since the date on which the Person acquired, or should have acquired, knowledge of the alleged inconsistent measure and knowledge that the Person incurred loss or damage or suffered a denial of benefit, and no notice was given to the Person under Article 1015.3; or

(b) if notice was given to the Person under Article 1015.3, more than two years have elapsed since the date on which the Person exhausted all available administrative remedies.

5. No Person is entitled to initiate Proceedings under this Article with respect to a measure that is or has been the subject of a request for a Panel under Article 1004 or Article 1018 until three years after whichever of the following applies:

(a) the date on which written notice of a mutually satisfactory resolution regarding that measure was filed with the Secretariat under Article 1010.3 or Article 1027.3;

(b) the date of a Report regarding that measure issued under Article 1008 or Article 1025 from which no appeal has been taken; or

(c) the date of a final decision regarding that measure following an appeal made under Article 1009.1 or Article 1026.1.

6. A Party or Complaint Recipient may agree to waive any of the time limitations in this Article and allow a Person to initiate Proceedings, if the Person would be prevented from doing so by paragraphs 4 or 5. A waiver provided under this paragraph shall be in writing, and shall be provided to the Person wanting to make, or having made, a request under

paragraph 2, with a copy to the Secretariat and to the Party of the Person.

Article 1017: Consultations

1. A Person that has initiated Proceedings may request consultations with the Complaint Recipient respecting the complaint, by delivering written notice to the Complaint Recipient within 60 days after making a request under Article 1016.1, and, on the same date, to the other Parties and to the Secretariat. The notice shall specify the actual measure complained of, the relevant provisions of this Agreement, and provide a brief summary of the complaint.

2. No Person may request consultations under this Article with respect to a measure that is or has been the subject of a request for a Panel under Article 1018 until three years after whichever of the following applies:

(a) the date on which written notice of a mutually satisfactory resolution regarding that measure was filed with the Secretariat under Article 1027.3;

(b) the date of the issuance of a Report regarding that measure under Article 1025 from which no appeal has been taken; or

(c) the date of a final decision regarding that measure following an appeal made under Article 1026.1.

3. A Person that fails to request consultations in accordance with paragraph 1 is deemed to have abandoned the request made by the Person under Article 1016.2.

4. A Party that considers itself to have a substantial interest in the matter, within the meaning of Article 1023.3, may participate in the consultations by delivering written notice of its intention to participate to the Person having requested the consultations, to the other Parties and to the Secretariat within 10 days of the delivery by the Person of a request made under paragraph 1.

5. The Person and Complaint Recipient may, by agreement, request one or more relevant working groups, from the list filed by the Parties with the Secretariat, to assist them in resolving the dispute.

6. A request for assistance made under paragraph 5 shall be delivered in writing to each working group being requested to assist, to the Consulting Participants, and to the Secretariat.

7. A working group, in giving assistance requested under paragraph 6, shall consider any matter referred to it as expeditiously as possible, particularly matters regarding perishable goods.

8. If the matter is not resolved to the satisfaction of the Person and Complaint Recipient within 60 days of delivery by the Person of a request made under paragraph 1, the Person and Complaint Recipient may, by agreement, request the assistance of relevant responsible Ministers or members of the Committee whose assistance would be helpful in

resolving the dispute.

9. A request for assistance made under paragraph 8 shall be delivered in writing to the Ministers or members of the Committee, to the Consulting Participants, and to the Secretariat.

10. In providing assistance requested under paragraph 8, the Ministers or members of the Committee may seek the advice of technical experts, establish other working groups or fact-finding bodies, facilitate the use of conciliation, mediation, and other dispute resolution mechanisms, and make recommendations.

11. Consultations shall be confidential and without prejudice to the rights of the Person, the Complaint Recipient, and the Consulting Participants in any Proceedings.

12. The Person, the Complaint Recipient, and the Consulting Participants shall exchange all information necessary to enable a full examination to be made of how the measure or other matter may affect the operation of this Agreement. In so doing, they shall treat any confidential information received on the same basis as the Person or Party providing the confidential information treats it.

13. If the Person and the Complaint Recipient agree, they may proceed directly under Article 1018, in which case, this Article does not apply.

Article 1018: Request for Panel

1. If the matter in question has not been resolved to the satisfaction of the Person, the Person may make a written request to the Secretariat, with a copy to the Committee, to establish a Panel. A request to establish a Panel shall be made no sooner than 120 days after the Person delivered a request for consultations to the Complaint Recipient that complies with Article 1017.1, and no later than 180 days after delivery of the request for consultations. If a request to establish a Panel has not been made within 180 days after delivery of the request for consultations, the Person is deemed to have abandoned the matter that was the subject of the complaint.

2. If the Person and Complaint Recipient have agreed to proceed directly under this Article pursuant to Article 1017.13, the Person and the Complaint Recipient may, promptly after reaching the agreement, make a written request to the Secretariat, with a copy to the Committee, to establish a Panel.

3. A request to establish a Panel shall:

(a) specify the actual measure complained of;

(b) list the relevant provisions of this Agreement;

(c) provide a brief summary of the complaint;

(d) explain how the measure has impaired trade, investment, or labour mobility within Canada; and

(e) identify the injury or denial of benefit caused by the measure.

4. If the Complaint Recipient is of the view that the dispute concerns the interpretation or application of Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), and the Complaining Person has not specifically listed that Annex as one of the relevant provisions of this Agreement in its request to establish a Panel, the Complaint Recipient shall notify the Secretariat regarding the relevancy of that Annex to the dispute by delivery of written notice to the Secretariat, with a copy of the Committee, within 10 days after the date of delivery by the Complaining Person to the Secretariat of the request to establish a Panel.

Article 1019: Establishment of Presiding Body

1. Subject to Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), the Presiding Body shall be established in accordance with this Article and shall be composed of three members unless the Disputants agree to a Presiding Body composed of one member.

2. Within 30 days after the date of delivery by the Complaining Person to the Secretariat of a request to establish a Presiding Body, each Disputant shall appoint one panellist to the Presiding Body from the roster of panellists maintained pursuant to Article 1005.2. If the Disputants have agreed to a Presiding Body composed of one member, within the 30 days, they shall appoint, by consensus, one panellist from the roster of panellists having administrative law experience as identified pursuant to Rule 4 of Annex 1005.2. Notice of the appointments shall be provided by each Disputant to the Secretariat, and the Secretariat shall then notify the selected panellists, and the other Participants, of the appointments.

3. If a Disputant fails to appoint a panellist within the 30 days, or, if the Disputants have agreed to a Presiding Body composed of one member and the Disputants fail to agree on the panellist within the 30 days, the Secretariat shall select the panellist by lot.

4. The appointed panellists shall, within 10 days after the last panellist has been appointed, select the chairperson of the Presiding Body from the roster. If the panellists are unable to agree on the chairperson within that period, the Secretariat shall select the chairperson by lot.

5. If neither of the panellists appointed or selected pursuant to this Article has administrative law experience as identified pursuant to Rule 4 of Annex 1005.2, the panellists or the Secretariat, as the case may be, shall select an individual with administrative law experience to be the chairperson.

6. If a Disputant requests that the chairperson be bilingual (French and English), the chairperson selected pursuant to the procedures set out in paragraphs 3 or 4, as the case may be, shall be bilingual.

7. Unless the Disputants otherwise agree, the panellists or the Secretariat, as the case may be, shall not appoint or select as the chairperson any individual who has been

appointed to the roster of panellists by the Complaint Recipient, or who is resident in a Complaint Recipient's Province.

8. The Presiding Body shall be established on the date of the selection of the chairperson under paragraphs 4 or 5. The Secretariat shall notify the Participants and the Committee of the establishment of the Panel.

Article 1020: Request for Summary Dismissal of Proceedings

1. Within 45 days after the establishment of a Panel under Article 1019.8, the Complaint Recipient may request that the Panel summarily dismiss the Proceeding if the Panel determines that:

(a) the complaint is frivolous or vexatious;

(b) the complaint constitutes an abuse of process;

(c) the Person does not have standing to initiate Proceedings under this Agreement;

(d) the subject matter of the complaint does not fall within the scope of this Agreement; or

(e) the Person has not satisfied the requirements in Article 1016.2 or Article 1016.3 or the Person is not entitled to initiate Proceedings under Article 1016.4, Article 1016.5, Article 1033.6 or Article 1033.8.

2. A request for summary dismissal shall be made in writing to the Secretariat and Panel, together with the documents required in Rule 1 of Annex 1020.

3. In considering the request for summary dismissal, the Panel shall follow the procedural rules set out in Annex 1020.

Article 1021: Report of Panel: Request for Summary Dismissal of the Proceeding

1. Within 45 days of receipt of a request for summary dismissal of the Proceeding under Article 1020.1, the Panel shall issue a Report based on the submissions of the Participants and any other evidence received during the course of the Proceeding.

2. The Report shall contain:

(a) findings of fact relevant to the determination made;

(b) a determination, with reasons, as to whether the request should be granted or denied in whole or in part;

(c) if applicable, and at the discretion of the Panel, an order awarding Tariff Costs to the Complaining Person or Complaint Recipient, as provided for in

Annex 1040; and

(d) a determination as to the apportionment of Operational Costs as provided for in Annex 1040.

3. If, in a Report under paragraph 1, a request for summary dismissal is:

(a) granted, the Proceeding initiated under Article 1020.1 shall be terminated;

(b) granted in part, only the part of the complaint that is denied may be heard by the Panel in accordance with this Part;

(c) denied, the Panel shall proceed to hear the matter in accordance with this Part.

4. The Report is final and not subject to judicial review or appeal under Article 1009.1 or Article 1026.1.

Article 1022: Terms of Reference

The terms of reference for a Panel shall be to examine whether the actual measure at issue is inconsistent with this Agreement.

Article 1023: Parties Added as Intervenors

1. A Party that has a substantial interest in the matter in dispute within the meaning of paragraph 3 is entitled to join the Proceeding as an Intervenor on delivery of written notice to the Complaining Person, to the other Parties, and to the Secretariat, within 15 days after the date of delivery to the Secretariat of a request to establish a Panel under Article 1018.1.

2. Paragraph 1 does not apply to the Party of the Complaining Person.

3. A Party has a substantial interest in the matter in dispute if:

(a) the Party maintains a measure that is analogous to the one at issue; or

(b) the Party is a Province and has a significant number of Persons carrying on business in its territory who are affected by the measure at issue.

Article 1024: Presiding Body Rules of Procedure

1. The Panel, Compliance Panel, and Appellate Panel Rules of Procedure in Annex 1007.1 and 1024.1 shall apply to Proceedings under this Part, unless modified, if appropriate, by a Presiding Body.

2. A Presiding Body may seek information and expert advice from any Person or body that it considers appropriate, provided that the Participants agree and subject to the following terms and conditions and to any other terms and conditions agreed by the Participants:

(a) If a procedural question arises, the Presiding Body shall first seek advice from the Participants. If the procedural question is not resolved to the satisfaction of the Presiding Body, the Presiding Body may request that the Secretariat obtain independent legal advice on the procedural question.

(b) A request under paragraph (a) shall be in writing to the Secretariat, with copies to the Participants, and shall outline the procedural question on which advice is sought. The Secretariat shall retain appropriate counsel and transmit the advice immediately to the Presiding Body, with copies to the Participants.

3. All Proceedings before a Presiding Body shall be dealt with as informally and expeditiously as the circumstances and considerations of fairness permit.

4. Subject to Article 203.3 (Transparency) and Article 517.2 (Disclosure of Information), and to all applicable privileges, protections, or requirements provided for by law, the Disputants shall exchange all information in their possession that is relevant to the issues in dispute with each other, and provide copies thereof to the other Participants, so as to ensure that the issues in dispute are fully presented and heard by the Presiding Body. In so doing, the Disputants and Participants shall treat any confidential information received on the same basis as the Disputant providing the confidential information treats it.

Article 1025: Report of Panel

1. The Panel shall issue a Report based on the submissions of the Participants and any other evidence received during the course of the Proceeding.

2. If the Panel cannot release the Report within the period stipulated in Rule 52 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participants in writing of the reasons for the delay together with an estimate of the date by which it will issue the Report.

3. The Report shall contain:

(a) findings of fact;

(b) a determination, with reasons, as to whether the measure in question is inconsistent with this Agreement;

(c) if an affirmative determination has been made under (b), a determination, with reasons, as to whether the measure has impaired trade, investment, or labour mobility within Canada and has caused injury or denied a benefit;

(d) recommendations, if requested by a Disputant, to assist in resolving the dispute;

(e) if applicable, and at the discretion of the Panel, a stipulation of the period within which the Complaint Recipient shall comply with this Agreement;

(f) if applicable, and at the discretion of the Panel, an order awarding Tariff Costs to the Complaining Person, as provided for in Annex 1040; and

(g) a determination as to apportionment of Operational Costs as provided for in Annex 1040.

4. The Panel retains jurisdiction for the purpose of assessing a cost order after it issues the Report, and may make a cost order at the request of a Disputant or on its own initiative.

5. Within 10 days after the receipt of the Report, a Participant may, with notice to the chairperson of the Panel, the Secretariat, and the other Participants, request that the Panel:

(a) clarify one or more aspects of the Report, in which case the Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

Article 1026: Appellate Panel: Jurisdiction and Process

1. A Disputant may appeal a Report to an Appellate Panel on the grounds that the Panel erred in law, failed to observe a principle of natural justice, or acted beyond or refused to exercise its jurisdiction. An Intervenor may not appeal a Report.

2. If a Disputant provides a notice of appeal as provided for in Annex 1007.1 and 1024.1, an Appellate Panel shall be established in accordance with Article 1019, except that the members of the Appellate Panel shall be selected from the Appellate Panel Roster established pursuant to Article 1005.2 and Annex 1005.2 and, notwithstanding Article 1019.1, shall be composed of three members.

3. On receipt by the Secretariat of a notice of appeal, any requirement for a Complaint Recipient to comply with this Agreement within a stipulated time or to pay Tariff Costs or for a Participant to pay Operational Costs is suspended until such time as the appeal, and any subsequent re-hearing by the Panel that may be required, are concluded.

4. The Appellate Panel shall issue the Appellate Report with reasons which:

(a) may confirm, vary, rescind, or substitute the Report in whole or in part, or refer the matter back to the Panel for re-hearing; and

(b) shall include an order for Operational Costs in accordance with Annex 1040, and may include, in the Panel's discretion, an order for Tariff Costs in accordance with Annex 1040.

5. If the Appellate Panel cannot release the Appellate Report within the period

stipulated in Rule 65 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participants in writing of the reasons for the delay together with an estimate of the date by which it will issue the Appellate Report.

6. The Appellate Panel retains jurisdiction for the purposes of assessing a cost order after it issues the Appellate Report, and may make a cost order at the request of a Disputant or on its own initiative.

7. If a matter is not referred back for re-hearing, the Appellate Report is deemed to be the Report for purposes of determining compliance under Articles 1027.9 through 1028.14, together with those parts of the Report which have not been superseded by the Appellate Report.

8. If an Appellate Panel refers a matter back to the Panel for re-hearing, the Secretariat, in consultation with the Participants, shall fix a date to reconvene the Panel forthwith.

9. Within 10 days after receipt of the Appellate Report, a Disputant may, with notice to the Secretariat and the other Disputants, request that the Appellate Panel:

(a) clarify one or more aspects of the Appellate Report, in which case the Appellate Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Appellate Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Appellate Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

Article 1027: Mutually Satisfactory Resolution, Confirmation of Compliance, and Request for Compliance Panel

1. The Parties agree that the prompt resolution of disputes is for the benefit of all Disputants.

2. Whenever possible, a dispute shall be resolved by removing or amending the measure that was determined to be inconsistent with this Agreement.

3. If the Disputants resolve the dispute at any stage of a Proceeding, written notice of such resolution shall be delivered to the other Parties, to the Secretariat, and to the Presiding Body, if any. On receipt of the notice by the Secretariat, the Proceeding shall be terminated.

4. Proceedings may be suspended, either at the request of the Disputants or by order of the Presiding Body, in order to continue or resume consultations, or to negotiate a mutually satisfactory resolution.

5. If a Proceeding has been suspended pursuant to paragraph 4, if neither Disputant has made an application to end the suspension within 36 months of the date of suspension,

the complaint that initiated the Proceeding is deemed to have been withdrawn and the Proceeding shall be terminated.

6. If a Panel has determined in a Report that a measure is inconsistent with this Agreement, the Complaint Recipient may notify the Complaining Person that the Complaint Recipient has complied with this Agreement in respect of the matters addressed in the Report. The notice shall be in writing, include a description of the manner of such compliance, and be delivered to the Complaining Person, to the other Participants, and to the Secretariat.

7. A Complaining Person may, within 30 days of delivery to it of a notice under paragraph 6, object to the notice. The objection shall be in writing, include a description of the reasons for its objection, and be delivered to the Complaint Recipient, to the other Participants, and to the Secretariat.

8. If no objection has been delivered under paragraph 7, the Complaint Recipient is deemed to have complied with this Agreement in respect of the matters addressed in the Report.

9. One year following the issuance of a Report or, if applicable, an alternate implementation period stipulated by the Panel in the Report, either of the Disputants may request that the Secretariat reconvene the Panel as a Compliance Panel to make a determination as to whether the Complaint Recipient has complied with this Agreement in respect of the matters addressed in the Report.

10. Notwithstanding paragraph 9, a Complaint Recipient may request a Compliance Panel immediately upon the delivery by the Complaining Person to the Complaint Recipient of an objection made under paragraph 7.

11. The Compliance Panel shall issue a Compliance Report containing:

(a) a determination on whether or not the Complaint Recipient has, with regard to the matter in dispute, brought itself into compliance with this Agreement;

(b) if the determination is that there has not been compliance, a Monetary Penalty order made in accordance with Article 1028;

(c) at the discretion of the Compliance Panel, an order apportioning Operational Costs, as provided for in Annex 1040;

(d) at the discretion of the Compliance Panel, an order awarding Tariff Costs, as provided for in Annex 1040;

(e) at the discretion of the Compliance Panel, an order awarding Additional Costs, as provided for in Annex 1040; and

(f) if an order for a Monetary Penalty has been made, a form of order that

(i) is enforceable in the same manner as an order against the Crown in the superior courts of the Party against which the order is made; or

(ii) the Secretariat will rely on when, in accordance with Rule 19 of Annex 1007.1 and 1024.1, it demands payment by the financial institution that issued a Standby on behalf of the Party against whom the order is made.

12. The Compliance Panel retains jurisdiction for the purpose of assessing a cost order after it issues the Compliance Report, and may make a cost order at the request of a Disputant or on its own initiative.

13. Within 10 days after receipt of the Compliance Report, a Disputant, with notice to the chairperson of the Compliance Panel and the Secretariat, may request that the Compliance Panel:

(a) clarify one or more aspects of the Compliance Report, in which case the Compliance Panel shall, within 15 days of receipt of the notice, provide the clarification; or

(b) correct in the Compliance Report any errors in computation or translation, any clerical or typographical errors, or any errors of a similar nature, in which case the Compliance Panel may, within 15 days of receipt of the notice, make the corrections it considers appropriate.

14. If the Compliance Panel cannot release the Compliance Report within the period stipulated in Rule 70 of Annex 1007.1 and 1024.1, it does not lose jurisdiction and shall inform the Participants in writing of the reasons for the delay together with an estimate of the date by which it will issue the Compliance Report.

Article 1028: Monetary Penalty

1. In determining the amount of a Monetary Penalty, the Compliance Panel shall be guided by the primary purpose of a Monetary Penalty which is to encourage compliance with this Agreement. The Compliance Panel shall also consider:

(a) the seriousness of the inconsistency with the Complaint Recipient’s obligations under this Agreement;

(b) the magnitude of the impact of the inconsistency on the market;

(c) if the Complaint Recipient has previously been found by a Presiding Body in a Proceeding not to have been compliant with this Agreement, whether the complaint has been resolved or remains outstanding;

(d) whether the Complaint Recipient has made efforts, in good faith, to comply with this Agreement in respect of the matters addressed in the Report before the Compliance Panel; and

(e) subject to paragraph 3, any other factor the Compliance Panel considers relevant.

2. Notwithstanding anything else in this Part, the amount of a Monetary Penalty ordered against a Complaint Recipient shall not exceed the maximum amount set out for such Party in Annex 1011.2 and 1028.2.

3. When determining the amount of a Monetary Penalty payable by a Complaint Recipient, a Compliance Panel shall not take into account whether:

(a) any Presiding Body in the matter has ordered the Complaint Recipient to pay Tariff Costs to the Complaining Person, or the amount of any Tariff Costs ordered; or

(b) the Compliance Panel has ordered or intends to order that the Complaint Recipient pay Additional Costs to the Complaining Person, or the amount of any Additional Costs ordered.

Article 1029: Enforcement of Monetary Penalty Orders

1. If a Compliance Panel has made an order for a Monetary Penalty under Article 1027.11, the Monetary Penalty is immediately due and payable.

2. Notwithstanding anything else in this Part, in no case is a Party required to pay more in respect of Total Ordered Costs and Monetary Penalties than the maximum Monetary Penalty provided for that Party in Annex 1011.2 and 1028.2. If in any Proceeding the Total Ordered Costs and Monetary Penalties exceed that maximum, the amount that the Party is required to pay into the Fund pursuant to paragraph 3 is automatically reduced by the total amount of the excess.

3. The amount of the Monetary Penalty, or of the Monetary Penalty remaining after the application of paragraph 2, is payable to “Internal Trade Secretariat Corporation”. Payment shall be forwarded to the Secretariat, which shall deposit it into the Fund promptly after receipt.

4. A Party shall pay all Tariff Costs and Additional Costs it has been ordered to pay to a Complaining Person before it pays the Monetary Penalty pursuant to paragraph 3, and shall confirm in writing to the Secretariat when it has done so.

5. If a Party that has deposited a Standby with the Secretariat has not paid a Monetary Penalty ordered under Article 1027.11 within 60 days of the issuance of the Compliance Report, the Secretariat shall demand payment in accordance with Rule 19 of Annex 1007.1 and 1024.1.

6. Within 20 days of receiving notice under Rule 19 of Annex 1007.1 and 1024.1 that its Standby has been drawn upon, a Party shall replenish the Standby and deposit with the Secretariat written confirmation signed by the Party’s financial institution and addressed to the Secretariat that the Standby has been replenished to the amount required under Annex 1011.2 and 1028.2.

7. Unless a Party that has filed a Standby has confirmed to the Secretariat and the other Parties that it has taken the steps necessary to ensure enforcement of Monetary Penalties pursuant to Article 1001.4(c)(i), the Party shall file with the Secretariat no later than 60 days prior to the expiry of its Standby, a new Standby to take effect upon the expiry of the former Standby.

Article 1030: Enforcement of Tariff Costs Orders

1. Where a Panel or Compliance Panel has made an order for Tariff Costs in favour of a Complaining Person, or if an Appellate Panel has made an order for Tariff Costs against a Disputant, the Tariff Costs are immediately due and payable.

2. The Party against which the Panel or Compliance Panel made an order for Tariff Costs shall pay the amount stated in the order to the Complaining Person and confirm in writing to the Secretariat when it has done so.

3. If an Appellate Panel has made an order for Tariff Costs against a Disputant, the Disputant against whom the order was made shall pay the amount stated in the order to the Disputant in whose favour the order was made and confirm in writing to the Secretariat when it has done so.

4. If a Party against which an order for Tariff Costs has been made is a Party that has implemented the enforcement mechanism for Tariff Costs referred to in Article 1001.4(a), a Person in whose favour the order was made:

(a) may promptly take such registration, filing, or other action as is required by the legislation or administrative practice of the Party against which the order was made, to commence the process of enforcing the order in the same manner as an order against the Crown in the Party's superior courts; and

(b) shall immediately advise the Party against which the order was made that such action has been taken,

but may not take any further action to enforce the order until 60 days after the date of the order, except by consent of the Party against which the order was made.

5. If a Disputant against whom an order for Tariff Costs has been made is a Person, a Party in whose favour the order was made:

(a) may promptly take such registration, filing, or other action as is required to commence the process of enforcing the order; and

(b) shall immediately advise the Complaining Person against which or whom the order was made that such action has been taken,

but the Party may not take any further action to enforce the order until 60 days after the date of the order, except by consent of the Person against which or whom the order was made.

Article 1031: Additional Costs Orders

1. An order of a Compliance Panel to pay Additional Costs is deemed to be an order against a Party to pay Tariff Costs, for purposes of enforcing the Additional Costs order.

2. If a Compliance Panel has made an order for Additional Costs, the Additional Costs are immediately due and payable. The Party against which the order has been made shall pay the amount stated in the order to the Complaining Person, and shall confirm in writing to the Secretariat when it has done so.

3. If the Party against which an order for Additional Costs has been made has implemented the enforcement mechanism for Tariff Costs referred to in Article 1001.4(a), the Complaining Person:

(a) may promptly take such registration, filing, or other action as is required by the legislation or administrative practice of the Party, to commence the process of enforcing the order in the same manner as an order against the Crown in the Party's superior courts; and

(b) immediately advise the Party that such action has been taken,

but may not take further action to enforce the order until 60 days after the date of the order unless the Party consents to further action before such time.

Article 1032: Internal Trade Advancement Fund

1. Pursuant to Article 1029.3, the Fund, as established under Article 1726 (Internal Trade Advancement Fund) of the Agreement on Internal Trade, is continued under this Agreement.

2. All disbursements made out of the Fund, other than disbursements required for the administration of the account, shall be made by direction of the Committee and used solely to support special pan-Canadian research, education, or strategic initiatives that advance trade, investment, or labour mobility within Canada.

3. Fund monies shall not be used to compensate Parties for expenses incurred as a consequence of the use or administration of this Agreement or be allocated as general revenue among the Parties.

PART C: General

Article 1033: Removal of Access to Dispute Resolution for Non-Compliance

1. This Article applies notwithstanding anything else in this Chapter.

Parties

2. A Party shall not initiate or participate in consultations or Proceedings under this Chapter in a capacity other than as a Replying Party, Complaint Recipient, or Respondent if:

(a) the Party has failed to meet any of its obligations under Article 1001.4, Article 1012.4, or Article 1012.5, until the Party fully complies with those obligations;

(b) a Compliance Panel has determined that the Party has not complied with this Agreement and the Party has not brought itself into compliance with this Agreement within 180 days of the issuance of the Compliance Report, until the Party brings itself into compliance with this Agreement, and notwithstanding that the Party has paid all Monetary Penalties, Operational Costs, Tariff Costs, and Additional Costs ordered against it or that the Party also has had benefits suspended or retaliatory measures imposed against it under Article 1013; or

(c) subject to paragraph 3, the Party has failed to pay all Monetary Penalties, Tariff Costs, Operational Costs, or Additional Costs that have been ordered against it, within any applicable time period specified in this Chapter, until the Party pays the Monetary Penalties and costs, or payment is otherwise obtained.

3. If, pursuant to Article 1001.4, a Party has provided that a Monetary Penalty or Tariff Costs or Additional Costs order issued against it may be enforced in the same manner as an order against the Crown in the Party's superior courts, and the Party's payment process requires the Presiding Body order to be filed with such courts before the Party is able to pay such Monetary Penalty or cost order:

(a) within 10 days of the issuance of a Monetary Penalty or cost order against it, the Party shall advise the Party or Person in whose favour the Monetary Penalty or cost order has been issued that the Party requires that Party or Person to take the steps necessary to file the Presiding Body order with the Party's superior courts to enable the order to be enforced in the same manner as an order against the Crown in those courts; and

(b) provided that the requirements of paragraph (a) are met, the prohibition under paragraph 2(c) shall not take effect until 60 days after the date of the Presiding Body order.

4. Any ongoing consultations or Proceedings that have been initiated by a Party shall

be suspended during any period a prohibition under paragraph 2 is in effect against the Party.

5. If the prohibition under paragraphs 2(b) or 2(c) is in effect against a Party, that Party may, at any time, request the Secretariat to reconvene the Presiding Body that originally determined the Party's non-compliance or that issued the Monetary Penalty or cost order at issue. The reconvened Presiding Body shall determine whether the Party has brought itself into compliance with this Agreement and paid the Monetary Penalty or cost order and, if so, the prohibition under paragraph 2 shall be immediately lifted.

Persons

6. Subject to paragraph 7, if a Party is subject to the prohibition in paragraph 2, that Party's Persons may not initiate or participate in any consultations or Proceedings under Part B, except that:

(a) a Person who is a Person of two Parties, one of which is suspended, may proceed under the other Party; and

(b) if the Party is the Government of Canada, only Persons of the Government of Canada that are federally-constituted entities are prohibited.

7. A Proceeding initiated by a Complaining Person under Article 1016 before the Party of that Complaining Person became subject to the prohibition in paragraph 2 shall not be suspended by the operation of paragraph 6.

8. A Person may not initiate or participate in consultations or Proceedings under Part B if that Person has failed to pay any Tariff Costs or Operational Costs previously ordered against it, within the time period specified in this Chapter. This prohibition continues until the Person has paid all such costs or until payment is otherwise obtained.

9. For greater certainty, the Party of the Person may initiate or participate in consultations or Proceedings on its own behalf even if a Person of that Party is subject to the prohibition in paragraph 8.

Article 1034: Limiting Judicial Review

1. Unless appealed pursuant to Article 1009.1 or Article 1026.1, a Report is final and is not subject to judicial review.

2. A Report of a Compliance Panel or Appellate Panel is final and is not subject to judicial review.

Article 1035: Failure to Participate/Discontinuance

The failure of a Disputing Party or Disputant to participate, or to continue its participation, in any Proceedings shall not affect the jurisdiction of a Presiding Body, which may proceed in that Disputing Party's or Disputant's absence, to fulfill the responsibilities assigned to it by this Agreement, including issuing orders for costs.

Article 1036: Publication and Committee Agenda

1. The Secretariat shall make public any report issued by a Presiding Body under this Chapter 30 days after the date on which it was issued, or sooner, if the Disputing Parties or the Disputants agree.

2. A Disputing Party or a Disputant may request the Secretariat to add an unresolved dispute which was the subject of a Report to the Committee's agenda for its next annual meeting. However, such a request may not be made sooner than 30 days after the date on which the Report was issued. The dispute shall remain on the agenda for every annual Committee meeting thereafter until the matter is resolved.

3. If an unresolved dispute has been added to the Committee's agenda pursuant to paragraph 2, the Complaint Recipient shall, at least 10 days before each annual Committee meeting whose agenda includes the dispute, provide the Committee with a written status report on the Complaint Recipient's progress in implementing the Panel's recommendations in the Report or in arriving at a resolution of the dispute.

Article 1037: Code of Conduct

Members, including prospective and former members, of a Presiding Body shall conduct themselves in accordance with Annex 1037.

Article 1038: Limit on Jurisdiction

For greater certainty, a Presiding Body has no jurisdiction to rule on any constitutional issue.

Article 1039: Contact Points

1. If this Chapter requires a notice, request, Report, or other document to be sent to a Party, it shall be sent to that Party's Internal Trade Representative.

2. If this Chapter requires a notice, request, Report, or other document to be sent to the Committee, a Presiding Body, or a working group, it shall be sent to the chairperson of the Committee, Presiding Body, or working group, as the case may be. If a Presiding Body consists of only one individual, the notice, request, Report, or other document shall be sent to that individual.

Article 1040: Costs

An order for costs under Article 1008.3(f), Article 1009.4(b), Article 1010.11(c), Article 1021.2(c), Article 1021.2(d), Article 1025.3(f), Article 1025.3(g), Article 1026.4(b), or Articles 1027.11(c) through 1027.11(e) shall be made in accordance with Annex 1040.

Article 1041: Definitions

For the purposes of this Chapter:

Additional Costs means reasonable costs incurred by a Person in a Compliance Panel Proceeding in respect of:

(a) counsel or agent's fees to prepare for the hearing;

(b) counsel or agent's fees to attend the hearing;

(c) fees and disbursements of experts; and

(d) charges for postage, courier services and disbursements, including travel expenses,

to the extent that they exceed Tariff Costs;

Appellant means the Disputing Party appealing a Panel decision pursuant to Article 1009.1 or the Disputant appealing a Panel decision pursuant to Article 1026.1;

Appellate Panel means a panel established pursuant to Article 1009.2 or Article 1026.2;

Appellate Report means a report issued by an Appellate Panel pursuant to Article 1009.4 or Article 1026.4, including any clarifications or corrections made to that report pursuant to Article 1009.9 or Article 1026.9;

Complaining Party means the Party that has requested a Panel pursuant to Article 1004.1, or a Party added to a Proceeding as a Complaining Party at the discretion of a Presiding Body pursuant to Rule 9 of Annex 1007.1 and 1024.1;

Complaining Person means:

(a) a Person who or that has requested a Panel pursuant to Article 1018.1;

(b) for purposes of Article 1014, a Person of a Party in a Pre-existing Dispute; or

(c) a Person added to a Panel Proceeding as a Complaining Person at the discretion of a Panel pursuant to Rule 10 of Annex 1007.1 and 1024.1;

Complaint Recipient means the Party complained against by a Complaining Party pursuant to Article 1004.1 or by a Person of a Party pursuant to Article 1016.2;

Compliance Panel means a panel convened pursuant to a request made under Article 1010.9 or Article 1027.9;

Compliance Report means a report issued by a Compliance Panel pursuant to Article 1010.11 or Article 1027.11, including any clarifications or corrections made to that report pursuant to Article 1010.13 or Article 1027.13;

Consulting Participant means a Party that has given notice of its intention to participate in consultations in accordance with Article 1003.4 or Article 1017.4;

Consulting Parties means the Initiating Party, Replying Party and Consulting Participant;

Disputants means the Complaining Person and the Complaint Recipient in a Proceeding under Part B;

Disputing Parties means the Complaining Party and the Complaint Recipient in a Proceeding under Part A;

Fund means the Internal Trade Advancement Fund continued under Article 1032;

Initiating Party means a Party that has requested consultations pursuant to Article 1003.1;

Internal Trade Representative means the government official designated by a Party and identified to the Secretariat as the Party's representative for the purposes of this Agreement;

Intervenor means:

(a) a Party that has joined a Proceeding as an intervenor in accordance with Article 1004.9 or Article 1023, or at the discretion of a Panel pursuant to Rule 7 of Annex 1007.1 and 1024.1;

(b) a Party that has joined any other Proceeding as an intervenor at the discretion of a Presiding Body pursuant to Rule 8 of Annex 1007.1 and 1024.1; or

(c) a Person who or that has joined a Proceeding as an intervenor at the discretion of a Panel pursuant to Rule 10 of Annex 1007.1 and 1024.1;

Monetary Penalty means the penalty ordered by a Compliance Panel in the Compliance Report mentioned in Article 1010.11 and Article 1027.11;

Operational Costs means:

(a) all per diem fees and other disbursements payable to Presiding Body members for the performance of their duties as Presiding Body members;

(b) fees and disbursements of experts retained by the Presiding Body; and

(c) costs of third party facilities and equipment used for meetings or hearings involving the Presiding Body;

Panel means a panel established pursuant to Article 1005 or Article 1019;

Participants means the Disputants and Intervenors (if any) in a Proceeding under Part B;

Participating Parties means the Disputing Parties and Intervenors (if any) in a Proceeding under Part A;

Party of the Person means the Party that refused to initiate Proceedings on the Person's behalf or request a Panel pursuant to Article 1015.4 or Article 1015.6;

Person means a natural person or enterprise including a trade union as recognized by the applicable legislation of a Party;

Person of a Party means a Person that has a substantial and direct connection with a Party within the meaning of Article 1004.6, Article 1004.7, or Article 1004.8;

Pre-existing Dispute means a dispute for which a request that proceedings be initiated has been made by a Person of a Party pursuant to Article 1712(1) (Initiation of Proceedings by Government on Behalf of Persons) or Article 1713(1) (Initiation of Proceedings by Persons) of the Agreement on Internal Trade, which remains unresolved as of the effective date;

Presiding Body means, as the case may be, a Panel, Compliance Panel, or Appellate Panel;

Proceeding means a dispute resolution proceeding before a Panel, Compliance Panel, or Appellate Panel, or a proceeding for summary dismissal before a Panel pursuant to Article 1020, as the case may be;

Replying Party means the Party with which an Initiating Party has requested consultations pursuant to Article 1003.1;

Report means a report issued by a Panel pursuant to Article 1008.1, Article 1021.1, Article 1025.1, or which is deemed to be a report under Article 1009.7 or Article 1026.7, including any clarifications or corrections made to that report pursuant to Article 1008.5, Article 1009.9, Article 1025.5, or Article 1026.9;

Respondent means the Disputing Party against which an appeal of a Panel decision is taken pursuant to Article 1009.1 or the Disputant against which an appeal of a Panel decision is taken pursuant to Article 1026.1;

Standby means an irrevocable standby letter of credit issued by a Canadian chartered bank or credit union at the request of a Party and for the benefit of the Secretariat acting as trustee for the Parties to this Agreement, and containing the terms set out in Annex 1001.4(c)(ii);

Tariff Costs means reasonable costs incurred by a Party or Person in a Proceeding in respect of:

(a) counsel or agent's fees to prepare for the hearing, to a maximum of $14,665;

(b) counsel or agent's fees to attend the hearing for each of the first five days, to a maximum per day of $2,346; and thereafter for each day up to 10 days, to a maximum per day of $1,761;

(c) fees and disbursements of experts, to a maximum of $14,665; and

(d) charges for postage, courier services, and disbursements, including travel expenses;

these maximum allowable amounts are the Tariff Costs that may be awarded in the calendar year in which the effective date falls. Beginning in the following calendar year and in each calendar year thereafter, the Secretariat will increase such amounts by that percentage by which the Consumer Price Index (published by Statistics Canada) has increased between January 1 and December 31 of the previous calendar year. If there has been no increase or if there has been a decrease in that period, the amounts will remain the same for the following calendar year; and

Total Ordered Costs and Monetary Penalties means the total sum of all Tariff Costs, Additional Costs, and any Monetary Penalty that a Complaint Recipient has been ordered to pay by Presiding Bodies over the entire course of a Proceeding, commencing with the request for a Panel under Article 1018, and ending with a Compliance Report issued under Article 1027.

Annex 1001.4(c)(ii): Irrevocable Standby Letter of Credit

(*To be printed on Bank letterhead*)
Month xx, 20__

TO : Internal Trade Secretariat Corporation ("ITSC"), Trustee for the beneficiaries

Re: Irrevocable Standby Letter of Credit No. X.

At the request of the PROVINCE of _____ ,_____(*name and address of the bank or financial institution*) (the "Bank") hereby issues in favour of the Internal Trade Secretariat Corporation ("ITSC"), acting as trustee for the Signatories listed in Exhibit "A" (the "Signatories") to the Canadian Free Trade Agreement , as amended ("CFTA"), this irrevocable Standby Letter of Credit No._____ (the "Standby") in the total amount of _____ *(the maximum amount for the Province set out in CFTA Annex 1011.2 and 1028.2*) (the "Available Amount") which is available on receipt by the Bank of:

(a) a written demand from the ITSC for payment addressed to the Bank bearing the clause "drawn under irrevocable Standby Letter of Credit No._____, issued by the Bank";

(b) a certified copy of the Compliance Panel Order for a Monetary Penalty in the form attached in Exhibit "B";

(c) a Certificate of the Managing Director of ITSC stating that it has the right to present a demand for payment in accordance with the CFTA; and

(d) a Direction executed by the Managing Director of ITSC instructing the Bank to pay the amount or amounts drawn therein to the Beneficiaries in accordance with the Certificate of Penalty.

The Bank agrees to pay to the Signatories identified as the Complaining Party or Parties in the aforementioned Certificate of Penalty and in the Direction an amount up to _____ (*Available Amount*), and to provide the ITSC written confirmation and details of payment.

The Bank will honour any demand for payment under this Standby without any enquiry on its part as to whether ITSC is entitled to make such demand and notwithstanding any disputes or objections between the Province of _____ and ITSC or any of the Signatories. ITSC shall not have any obligation to institute legal Proceedings against the Province before presenting a demand for payment pursuant to this Standby.

EXPIRY DATE

This Standby shall expire at _____ on _____ (insert date corresponding to five years from the date of its issuance) (the "Expiry Date").

IRREVOCABILITY

This Standby shall remain in full force and effect until the earlier of the Expiry Date or the date

on which the Bank receives:

(a) from ITSC, a written notice confirming:

(i) that the Province of _____ has withdrawn from the CFTA in accordance with Article 1214 (Accession and Withdrawal) or

(ii) that the Standby is no longer required, or

(b) from ITSC solely or from the Province of _____ and at least one other Signatory, notice confirming that the CFTA has been terminated.

DRAWS

Partial and multiple draws are permitted under this Standby and with each such draw, the Bank will, concurrently, with the payment requested by ITSC, note on this Standby the amount of such draw, and this Standby with such annotation thereon shall be returned afterwards to ITSC except if the draw is effected by facsimile as described below.

All correspondence or drawing documents shall be presented to the Bank at (address) between 08:30 and 17:00 (local time) on or before the Expiry Date and shall refer to its Standby No._____. If drawing documents are presented by facsimile, the Bank shall solely consider and examine the drawing documents so transmitted. ITSC is not to further present any original drawing document. Payment shall be made in Canadian currency by wire transfer to the account designated for such purpose by ITSC in its demand for payment.

This Standby is not transferable. ITSC may not assign all or part of the proceeds of any draws hereunder without the prior consent of the Bank.

A dispute related to this Standby will be decided in accordance with the laws of the Province of _____. This Standby is subject to the “International Standby Practices ISP98” (1 January 1999) of the International Chamber of Commerce, Publication Number 590 (the “Publication”) and for issues not covered by the Publication, the laws applicable in the Province of _____ shall apply. In case of conflict, the Publication shall prevail. The courts of the Province of _____ shall have exclusive jurisdiction over a dispute arising from this Standby.

THIS CREDIT IS NON-TRANSFERABLE.

THE BANK

_____
Executive Vice President

_____
Vice President

INTERNAL TRADE SECRETARIAT CORPORATION

_____
Managing Director

EXHIBIT "A"

The signatories of the Canadian Free Trade Agreement are the following:

Government of Canada
Government of Ontario
Government of Quebec
Government of Nova Scotia
Government of New Brunswick
Government of Manitoba
Government of British Columbia
Government of Prince Edward Island
Government of Saskatchewan
Government of Alberta
Government of Newfoundland and Labrador
Government of Yukon
Government of the Northwest Territories
Government of Nunavut

EXHIBIT "B"

(Form of Certification of Order for Monetary Penalty)

{At the end of a copy of a Compliance Panel Order, the Managing Director of the Secretariat will add the following certification:}

I, _____, Managing Director of Internal Trade Secretariat Corporation, certify that I have compared this document with the original Compliance Panel Order dated _____ and certify that it is a true copy thereof.

Signed in _____ (city), in _____ (province or territory) on _____ (date of signing).

_____
Managing Director

Internal Trade Secretariat Corporation
Suite 101
605 Des Meurons Street
Winnipeg MB
R2H 2R1

Annex 1005.2: Panel, Compliance Panel and Appellate Panel Rosters

1. Rules 2 through 7 apply to the Panel and Compliance Panel roster only.

2. Each Party shall be entitled to appoint up to five members to the roster.

3. Roster members shall:

   (a) have expertise or experience in matters covered by this Agreement;

   (b) be independent of and not take instructions from any Party; and

   (c) serve for a term of five years, with the possibility of reappointment.

4. At least one member of each Party's roster shall have expertise in Canadian administrative law or the resolution of disputes arising under Canadian administrative law. Each Party shall identify which of its members have this experience and shall make available details of that experience at the request of another Party or a Person.

5. Each Party shall endeavour to appoint at least one bilingual (English and French) member to the roster. Each Party shall identify which of its roster members are bilingual.

6. If there are fewer than 18 bilingual (French and English) roster members appointed by the Parties to the Panel and Compliance Panel roster, the Secretariat shall develop a supplementary list of bilingual individuals qualified to be Panel or Compliance Panel roster members. The Secretariat shall submit such list to the Internal Trade Representatives for approval, and those individuals approved by the Internal Trade Representatives shall be added to, and form part of, the Panel or Compliance Panel roster. The Secretariat may add Panel and Compliance Panel roster members in this manner whenever there are fewer than 18 bilingual roster members appointed to the Panel and Compliance Panel roster by the Parties.

7. If a roster member becomes unable to sit on the roster or a roster member's term expires, the Party that appointed the member shall appoint a replacement member to the roster.

Appellate Panel Roster

8. Rules 9 through 13 apply to Appellate Panels only.

9. Each Party shall be entitled to appoint up to 5 members to the Appellate Panel roster.

10. Appellate Panel Roster members shall:

   (a) have expertise in Canadian administrative law or the resolution of disputes arising under Canadian administrative law;

   (b) be independent of and not take instructions from any Party; and

(c) serve for a term of five years, with the possibility of reappointment.

11. Each Party shall endeavour to appoint at least one bilingual (English and French) member to the Appellate Panel roster. Each Party shall identify which of its Appellate Panel roster members are bilingual.

12. If there are fewer than 18 bilingual Appellate Panel Roster members appointed by the Parties to the Appellate Panel roster, the Secretariat shall develop a supplementary list of bilingual individuals qualified to be Appellate Panel roster members. The Secretariat shall submit such list to the Internal Trade Representatives for approval, and those individuals approved by the Internal Trade Representatives shall be added to, and form part of, the Appellate Panel roster. The Secretariat may add Appellate Panel roster members in this manner whenever there are fewer than 18 bilingual roster members appointed to the Appellate Panel roster by the Parties.

13. If an Appellate Panel roster member becomes unable to sit on the Appellate Panel or such member's term expires, the Party that appointed the member shall appoint a replacement member to the Appellate Panel roster.

Annex 1007.1 and 1024.1: Panel, Compliance Panel and Appellate Panel Rules of Procedure

These Rules are intended to give effect to the provisions of this Chapter with respect to Panel, Compliance Panel, and Appellate Panel Proceedings conducted pursuant to this Chapter. These Rules should not be construed to extend or limit the jurisdiction of Presiding Bodies.

Application

1. These Rules are established under Article 1007 and Article 1024 and shall apply to Proceedings under this Chapter.

General Rules

2. The Presiding Body is to conduct Proceedings in such manner as it considers appropriate, provided that the Proceedings are as transparent as possible, that the Participating Parties or Participants are treated with equality, and that at any stage of the Proceedings each Participating Party or Participant is given a full opportunity to present its case.

Interpretation

3. These Rules shall be liberally construed to secure the fairest, most transparent, least expensive, and most expeditious determination of every Proceeding.

Directions on Procedure

4. Subject to Article 1007.2 and Article 1024.2, if, in a Proceeding, a question of procedure arises to which these Rules do not provide an answer, or the answer they provide is incomplete, the question shall be disposed of in such manner as the Presiding Body decides is reasonable in the circumstances and consistent with principles of fairness.

5. Subject to Article 1007.2 and Article 1024.2, to provide for a more expeditious process in a manner that is reasonable in the circumstances and consistent with principles of fairness, the Presiding Body may vary or supplement any of these Rules, if it is fair and equitable to do so.

Combining Proceedings

6. The Panel may, on the written request of a Disputing Party or Disputant, and after hearing the submissions of the Disputing Parties or Disputants, combine two or more Proceedings to provide for a more expeditious process, if it is reasonable in the circumstances and consistent with principles of fairness to do so.

Adding Parties or Persons to a Proceeding

Parties as Intervenors – Panel Proceeding

7. The Panel may, on the written request of a Party that has not provided the written notice as required under Article 1004.9 or Article 1023.1, add the Party as an Intervenor to the Panel Proceeding if:

(a) the Party has a substantial interest in the matter in dispute within the meaning of Article 1004.11 or Article 1023.3; and

(b) it is reasonable in the circumstances and consistent with principles of fairness to do so.

Parties as Intervenors – Other Proceedings

8. A Presiding Body may, on the written request of a Party, add the Party as an Intervenor to another Proceeding, if it is reasonable in the circumstances and consistent with principles of fairness to do so.

Complaining Parties – Panel Proceeding

9. The Panel may, on the written request of a Consulting Participant that has not provided the written notice as required under Article 1004.10, add the Consulting Participant as a Complaining Party to the Proceeding, if it is reasonable in the circumstances and consistent with principles of fairness to do so.

Persons – Panel Proceeding

10. The Panel may, on the written request of a Person, add the Person as an Intervenor or a Complaining Person to a Proceeding, if it is reasonable in the circumstances and consistent with principles of fairness to do so.

Extending or Abridging Time Limits

11. If it is fair and equitable to do so, and after having afforded the Participating Parties or Participants, as the case may be, the opportunity to provide comments, the Presiding Body may extend or abridge the time limits fixed by these Rules or otherwise fixed by the Presiding Body, either before or after their expiry.

Defect in Form and Irregularity

12. No Proceeding is invalid by reason of a defect in form or a technical irregularity.

Responsibilities of the Secretariat

13. The Secretariat shall provide administrative support for Proceedings, including making arrangements necessary for pre-hearing conferences and oral hearings set by the Presiding Body in conjunction with the Participating Parties or Participants, and for meetings of the Presiding Body.

14. The Secretariat shall maintain the record of each Proceeding, comprised of all relevant documents, including originals or copies, filed in that Proceeding. If necessary, the

Secretariat may certify copies as true copies of the original. All documents filed shall be stamped by the Secretariat to show the file identification number, and date and time of receipt.

15. The Secretariat shall forward copies of a request for a Panel pursuant to Article 1004.1 or Article 1018.1, a request for a Compliance Panel pursuant to Article 1010.9 or Article 1027.9, a request for summary dismissal pursuant to Article 1020.1, and a Notice of Appeal pursuant to Article 1009.2 or Article 1026.2, to those Parties and those Participants that are Persons that did not make the request, or provide the Notice of Appeal promptly after receiving such request or notice.

16. The Secretariat shall forward copies of other documents and submissions filed with the Secretariat in a Proceeding, and reports, decisions, orders, and directions, or other written communications (whether on procedural or other matters) issued by the Presiding Body, to the Participating Parties or Participants, as the case may be, promptly after receiving such documents, submissions, reports, decisions, orders, directions, or other written communications. If an order for a Monetary Penalty has been made by a Compliance Panel, or an order for Tariff Costs or Additional Costs has been made by a Presiding Body, the Secretariat shall forward a certified copy of the order to each Participating Party or Participant affected by the order.

17. The Secretariat shall advise Participating Parties or Participants, in a timely manner, of the time, date, and location (or dial-in co-ordinates, if applicable) of pre-hearing conferences, oral hearings, or other meetings before the Presiding Body, set by the Presiding Body in conjunction with the Participating Parties or Participants.

18. The Secretariat shall enter into the record all reports, decisions, orders, directions, and written communications issued by the Presiding Body.

19. If the Complaint Recipient has filed a Standby pursuant to Article 1001.4(c)(ii) and fails to comply with the Monetary Penalty order within the time specified in Article 1012.3 or Article 1029.5, the Secretariat shall, within seven days after such time, demand payment in accordance with the procedure set out in the Standby. The Secretariat shall provide notice to the Complaint Recipient that its Standby has been presented to the financial institution for payment.

Translation and Interpretation

20. Written documents and submissions filed by a Participating Party or Participant in connection with or during a Proceeding, and oral hearings, may be in French or English.

21. The Secretariat shall provide for interpretation and translation, as the case may be, of written documents and submissions, oral hearings, and reports of Presiding Bodies, if a Participating Party, Participant, or a member of the Presiding Body so requests. Participating Parties and Participants are encouraged to provide documents and submissions in French and English, whenever feasible.

22. When a Report of a Presiding Body is made public, it shall be issued in French and English simultaneously. Each version is equally authentic.

Operation of a Presiding Body

23. The chairperson of a Presiding Body shall take the chair at all its meetings.

24. The chairperson of a Presiding Body shall fix the date and hour of its hearings in accordance with these Rules following consultations with other Presiding Body members, the Participating Parties, or Participants, as the case may be, and the Secretariat.

25. Except as otherwise directed by a Presiding Body, hearings shall be public.

26. If the Report of a Presiding Body is not unanimous, the members supporting each opinion shall be identified.

27. Meetings of a Presiding Body and pre-hearing conferences before a Presiding Body, but not hearings, may be conducted by telephone conference call or electronic means.

28. A Presiding Body may adopt its own internal procedures for routine administrative matters.

Confidentiality

29. If a Participating Party or Participant indicates that any information contained in documents filed with the Secretariat or forwarded to other Participating Parties or Participants, in connection with a Proceeding, is to be treated confidentially because:

(a) the information is commercially sensitive or otherwise protected by law; or

(b) its disclosure could impair intergovernmental relations or obligations,

the Secretariat, the Presiding Body, and the other Participating Parties or Participants shall take all necessary steps to protect the confidentiality of the information and may enter into pre-hearing agreements regarding the protection of such information.

30. A Participating Party or Participant may disclose to other Persons such information in connection with a Proceeding as it considers necessary to prepare its case, but it shall take all necessary steps to ensure that such other Persons maintain the confidentiality of the information.

31. The Secretariat shall take all necessary steps to ensure that experts, interpreters, translators, court reporters, and other individuals retained by the Secretariat, maintain the confidentiality of any information designated as confidential.

32. On request of another Participating Party or Participant, a Participating Party or Participant shall promptly deliver to the other Participating Parties or Participants and the Secretariat a non-confidential summary of its written submissions.

33. The Presiding Body shall make the Participating Parties' or Participants' written submissions available to the public no later than at the beginning of the hearing before it,

except those parts of the written submissions that contain proprietary or confidential information as specified in Rule 29.

Prior Contact with Presiding Body Member Prohibited

34. A Person or Party intending to appoint a Presiding Body member pursuant to any provision of this Chapter shall not contact the proposed Presiding Body member regarding his or her appointment or regarding any other matter related to the dispute or to any issue to be decided by the Presiding Body.

Panel Proceedings: Written submissions

35. A Disputing Party or Disputant that has requested a Panel shall file a written submission with the Secretariat within 45 days after the date on which it delivered the request to the Secretariat and the Secretariat shall forward copies of the submission to the other Participating Parties or Participants. The Disputing Party or Disputant shall include in its submission any documentary evidence, including witness statements and experts' reports, on which it is relying to support its complaint.

36. The written submissions of the other Participating Parties or Participants shall be filed with the Secretariat,

(a) in the case of a Party that has provided written notice under Article 1004.9 or Article 1023.1 that it intends to join the Panel Proceeding as Intervenor, within 21 days after the initial written submission has been filed with the Secretariat;

(b) in the case of a Consulting Participant that has provided written notice under Article 1004.10 that it wishes to be added to the Panel Proceeding as a Complaining Party, within 21 days after the initial written submission has been filed with the Secretariat; and

(c) in the case of the Complaint Recipient, within 45 days after the initial written submission has been filed by a Disputing Party or Disputant with the Secretariat,

and the Secretariat shall forward copies of the written submissions to each of the Participating Parties or Participants. The Participating Parties or Participants shall include in their submissions any documentary evidence, including witness statements and experts' reports, on which they intend to rely to support their respective positions.

37. The Panel may allow further written submissions and shall fix the date for their filing. Participating Parties or Participants permitted to make further written submissions shall include in such submissions any further documentary evidence, including witness statements and experts' reports, on which they intend to rely.

38. Documentary evidence not included in a Participating Parties' or Participants' submission may not be introduced without the permission of the Presiding Body. If a Presiding Body grants permission, the Presiding Body shall also, if it considers appropriate,

allow the other Participating Parties or Participants to submit brief replies to the newly-introduced evidence.

39. The Panel shall convene a pre-hearing conference of Participating Parties or Participants to:

(a) determine the date of the hearing, which shall be fixed within 30 days after the date on which the last written submission was received by the Secretariat, and shall, to the extent reasonably and practicably possible, accommodate the schedules of the Participating Parties or Participants and their representatives;

(b) determine the place and location of the hearing;

(c) identify, to the extent possible, the Participating Parties or Participants in the Panel Proceeding;

(d) determine how many individuals, including counsel and observers, the Participating Parties or Participants know or expect will attend the hearing;

(e) establish how much time will be allotted for the hearing as a whole, after receiving an estimate of time required for oral submissions from each Participating Party or Participant.

(f) address what steps are to be taken or pre-hearing agreements are required to protect the confidentiality of information that a Participating Party or Participant has indicated shall be treated as confidential pursuant to Rule 29.

40. The Panel may convene one or more pre-hearing conferences to determine:

(a) whether a Complaining Party has a substantial and direct connection with a Person within the meaning of Article 1004.6, Article 1004.7 or Article 1004.8;

(b) whether a Party has a substantial interest in the matter in dispute within the meaning of Article 1004.11 or Article 1023.3;

(c) whether a Party should be permitted to be added as Intervenor to the Panel Proceedings pursuant to Rule 7;

(d) whether a Consulting Participant should be permitted to be added as a Complaining Party to the Panel Proceedings pursuant to Rule 9;

(e) whether a Person that has requested permission to join the Panel Proceedings as an Intervenor or Complaining Person pursuant to Rule 10 should be permitted to do so;

(f) who will be making oral submissions on behalf of the Participating Parties or Participants and what their roles will be;

(g) the order in which the Participating Parties or Participants will be heard at the hearing;

(h) subject to Rule 43, whether an issue in the Proceedings is within the scope of this Agreement;

(i) whether to permit further written submissions and if so, to fix the date for their filing;

(j) any issues regarding the exchange of information or evidence by Participating Parties or Participants; and

(k) any other matter relevant to the Proceeding.

41. If a procedural matter is raised by a Participating Party or Participant before the hearing, the Panel shall promptly convene a pre-hearing conference to address the matter in consultation with the Participating Parties or Participants.

42. The Secretariat shall create and maintain a transcript of each pre-hearing conference. The Presiding Body shall issue a written record of the determinations made by it during the pre-hearing conference, or after the pre-hearing conference as they relate to matters raised in the pre-hearing conference. The Secretariat shall promptly distribute the pre-hearing conference record to the Participating Parties or Participants.

43. For the purposes of paragraph (h) of Rule 40, “scope” means the range of rights and obligations encompassed by this Agreement. The Panel may refuse to make a determination under paragraph (h) of Rule 40 at a pre-hearing conference, and instead decide to deal with the issue at the Panel hearing.

Panel Proceedings: Hearing

44. The hearing shall, unless the Participating Parties or Participants otherwise agree, be held in the capital city of the Complaint Recipient.

45. Members of the Presiding Body shall be present during the hearing. Participating Parties or Disputants who have not filed submissions may not present oral arguments without the consent of the Panel and the other Participating Parties or Disputants.

46. Participation by an Intervenor in a Panel Proceeding under Part B is limited to the written submission set out in Rule 36(a).

47. Except as otherwise directed by a Presiding Body, the hearing shall be conducted in the following manner:

(a) argument of the Complaining Party or Complaining Person;

(b) presentation of an Intervenor that has joined a Panel Proceeding pursuant to Article 1004.9 or Article 1023, or Rule 7 or Rule 8 (with permission pursuant to Rule 62, if applicable);

(c) argument of the Complaint Recipient;

(d) reply of the Complaining Party or Complaining Person.

48. Oral arguments shall be limited to the issues in dispute.

49. If interpretation or translation services are used during a hearing, a Presiding Body shall ensure that Participating Parties or Participants requiring such services are afforded sufficient additional time to make their arguments, presentations, or replies and to allow them to follow the arguments, presentations, or replies of other Participating Parties or Participants.

Panel Proceedings: Supplementary Written Submissions

50. The Panel may, at any time during a Proceeding, address questions in writing to one or more of the Participating Parties or Participants. The Panel shall deliver the written questions to the Participating Party or Participant to whom the questions are addressed through the Secretariat, which shall also provide for delivery of copies of the questions to the other Participating Parties or Participants.

51. A Participating Party or Participant to whom the Panel addresses written questions shall deliver a copy of any written reply to the Secretariat, which in turn shall provide for the delivery of copies of the reply to the other Participating Parties or Participants. Each other Participating Party or Participant shall be given the opportunity to provide written comments on the reply within five days after the date of delivery.

Panel Proceedings: Report of Panel

52. The Report shall be issued within 45 days after the date the hearing was completed or such other period of time as the Disputing Parties or Disputants may agree.

Notice of Suspension and Negotiation of Mutually Satisfactory Resolution

53. If the Disputing Parties or Disputants, or some of them, at any time prior to the issuance of the Report of the Presiding Body, agree to suspend the Proceedings for the purposes of negotiating or achieving a mutually satisfactory resolution of the dispute, they shall provide written notification of their agreement to suspend the Proceedings to the Secretariat and to any other Disputing Party or Disputant.

54. If a Disputing Party or Disputant does not agree to the suspension, that Disputing Party or Disputant shall, within 7 days of receiving the notification made under Rule 53, provide written notice of its opposition to the other Disputing Parties or Disputants and to the Secretariat. On receipt of the notice, the Disputing Parties or Disputants that agree with the suspension shall apply to the Presiding Body for an order to suspend the Proceeding.

55. If an application is made under Rule 54, the Presiding Body shall determine whether to order a suspension of the Proceedings under Article 1010.4 or Article 1027.4.

56. If the Proceedings have been suspended by consent of the Disputing Parties or Disputants, a Disputing Party or Disputant may withdraw its consent and resume the Proceedings at any time subject to procedural direction by the Presiding Body.

57. If the Proceedings have been suspended pursuant to an order of the Presiding Body under Rule 55, a Disputing Party or Disputant subject to the order may, on written notice to the other Disputing Parties or Disputants and to the Secretariat, apply to the Presiding Body to terminate the suspension within 36 months of the date of suspension.

Appellate Panel Proceedings: Notice of Appeal

58. A Disputing Party or Disputant that decides to appeal shall provide to the Secretariat and the other Participating Parties or Participants a notice of appeal that briefly outlines its grounds of appeal and the relief sought.

59. No appeal may be taken if a notice of appeal has not been provided to the Secretariat within 30 days of the issuance of the Report.

Appellate Panel Proceedings: Written Submissions

60. Within 75 days of the date of the Report, the Appellant shall provide a written submission in support of its appeal to the Respondent, to the other Participating Parties or Participants, and to the Secretariat.

61. Within 45 days of receipt of the Appellant's submission, the Respondent shall, and an Intervenor may, provide a written response to the Appellant, to the other Participating Parties or Participants, and to the Secretariat.

62. Participation in the appeal process by an Intervenor is limited to the written response set out in Rule 61, unless an Intervenor requests, and the Appellate Panel permits, an Intervenor to participate orally in the hearing.

Appellate Panel Proceedings: Hearing

63. On receipt of the notice of appeal by the Secretariat, a hearing before the Appellate Panel shall be convened forthwith.

64. Except as otherwise directed by the Appellate Panel:

(a) the hearing shall be held in the capital city of the Respondent to the appeal, and

(b) the hearing shall be conducted in the following manner: oral argument of the Appellant followed by oral argument of the Respondent.

Appellate Panel Proceedings: Appellate Report

65. The Appellate Panel shall issue the Appellate Report within 90 days of the completion of the hearing.

Compliance Panel Proceedings: Written Submission and Hearing (Optional)

66. A Disputing Party or Disputant making a request for a Compliance Panel shall do so in writing, deliver it to the other Disputing Parties or Disputants, and to the Secretariat, and include written submissions supporting its position.

67. Roster members who served on the Panel shall also comprise the Compliance Panel. If one or more members of the Panel are no longer available to serve on the Compliance Panel, members shall be appointed in accordance with the procedure set out in Rule 74.

68. A Disputing Party or Disputant notified of a request for a Compliance Panel may, within 60 days of receipt of such notice, provide a written reply to submissions delivered pursuant to Rule 66, and shall deliver it to the other Disputing Parties or Disputants, and to the Secretariat.

Compliance Panel Proceedings: Compliance Report

69. The Compliance Panel shall consider submissions of the Disputing Parties or Disputants and may seek further written clarification from them. The Compliance Panel may also, at its discretion, convene a hearing with Disputing Parties or Disputants.

70. The Compliance Panel shall issue a Compliance Report within 45 days of the expiry of the deadline for submissions by Disputing Parties or Disputants under Rule 68 or, if a compliance hearing is held, within 45 days of the conclusion of the hearing.

Discontinuance

71. A Disputing Party or Disputant that desires to discontinue its participation in a Proceeding shall file with the Secretariat a notice of discontinuance, and, on the same date, provide a copy of it to the other Disputing Parties or Disputants.

Convening of Panel under Article 1013

72. If a panel is convened by the Committee:

(a) under Article 1013.5 to determine whether the suspension of benefits or the imposition of retaliatory measures by a Complaining Party or Party of the Complaining Person is manifestly excessive; or

(b) under Article 1013.7 to determine whether any action taken by the Complaint Recipient to resolve the dispute is sufficient or satisfactory,

the Panel shall issue its decision within 45 days after the matter is referred to it.

73. The Panel shall, as soon as possible after being convened under Article 1013.5 or Article 1013.7, determine the manner in which it intends to proceed, and shall, through the Secretariat, notify the Participating Parties or Participants thereof.

Unavailability of Panellist

74. If a Presiding Body has been convened or reconvened pursuant to any provision of this Chapter, and, for any reason, a member of that Presiding Body is unable to further participate, a replacement member shall be appointed using the same process that was used to appoint the original member.

Annex 1011.2 and 1028.2: Monetary Penalty Tiers

The following tiers, based on the population of a Party from time to time determined by the most recent version of the Census of Canada, published by Statistics Canada, represent the maximum Monetary Penalties, on a per case basis, that a Compliance Panel may order against non-compliant Parties:

Population not exceeding 100,000, maximum penalty $250,000;

Population greater than 100,000, but not exceeding 300,000, maximum penalty $333,000;

Population greater than 300,000, but not exceeding 550,000, maximum penalty $500,000;

Population greater than 550,000, but not exceeding 1,500,000, maximum penalty $2,000,000; and

Population greater than 1,500,000, maximum penalty $10,000,000.

Annex 1020: Summary Dismissal Proceeding

1. The Complaint Recipient shall submit its request for summary dismissal of the Proceeding, identifying the grounds for its request under Article 1020, in writing to the Secretariat and Panel, copying the Complaining Person and any Intervenor. The request shall be supported by a written submission of not more than 20 pages, along with any accompanying exhibits, setting out the Complainant Recipient's grounds for summary dismissal of the Proceeding under Article 1020.

2. Within 15 days of receipt of a request for summary dismissal, the Complaining Person may submit a Response to the request for summary dismissal in writing to the Secretariat and Panel, copying the Complaint Recipient and any Intervenor. The Response shall be no more than 20 pages.

3. The Panel shall conduct its review based solely on the written submissions, including any supporting documents.

4. If the request is not accompanied by all of the requisite documents or if the request and accompanying documents are not sufficiently complete or clear, the Panel may request further documents, information, or clarification from the Person, the Party of the Person, or the Complaint Recipient.

5. The Panel may request a teleconference or brief hearing with the Disputants and, if relevant, the Party of the Person, to seek additional information or clarification on the matter.

6. If the documentation originally provided by a Complainant in Article 1016.3 or Article 1018.1 is deficient, the Panel, or chairperson if the matter is heard alone, may, at his or her discretion permit the Person to rectify minor deficiencies and, if so rectified in accordance with the requirements in Article 1016.3 or Article 1018.1, allow the Proceeding to continue. The deficiency and steps taken to rectify such deficiencies by the Complainant should be clearly set out in the Panel's Report under Article 1021.

7. With respect to requests made under Article 1020.1(e), if the Panel cannot establish whether the Person is prevented from initiating a Proceeding pursuant to Article 1016.4, Article 1016.5, Article 1033.6, or Article 1033.8, on the sole basis of the written submissions and supporting documents and would require further briefing, the Panel shall not grant a request for summary dismissal, and shall allow the issue to be determined by the Panel in its final Report. The Panel shall state the reasons for its decision in its Report under Article 1021.

8. In reviewing the complaint, the Panel shall review only whether the grounds for a request for summary dismissal of the Proceeding have been satisfied under Article 1020.1, and not the merits of the complaint.

9. The Panel shall render a Report within 45 days as provided for in Article 1021.1, and in exceptional circumstances, within 60 days, if agreed to by the Disputants.

10. If the request for summary dismissal is granted in whole, the Panel shall set out any costs awarded in its Report. If the request for summary dismissal is granted in part or denied, the Panel shall instead set out any costs awarded in its Report issued under Article 1025.

11. The Secretariat shall make the Panel's Report public within seven days after it receives notice thereof.

12. Except as otherwise provided in this Annex, the provisions of this Chapter, including the Rules of Procedure in Annex 1007.1 and 1024.1, apply, with such modifications as may be required, to a summary dismissal Proceeding.

Annex 1037: Code of Conduct for Panellists

PREAMBLE

The Parties place importance on the integrity and impartiality of Proceedings conducted pursuant to the provisions of this Chapter. This Code of Conduct is established to ensure that these principles are respected.

This Code of Conduct is intended to assist the Committee, the Secretariat and Presiding Body members in the operation of dispute resolution procedures involving Presiding Bodies under this Chapter.

The governing principle of this Code of Conduct is that a candidate or member shall disclose the existence of any interest, relationship, or matter that is likely to affect the candidate's or member's independence or impartiality, that is, which creates a reasonable apprehension of bias or an appearance of impropriety.

A reasonable apprehension of bias is created where a reasonable person, with knowledge of all the relevant circumstances that a reasonable inquiry would disclose, would reasonably conclude that a candidate or member has an interest, relationship, or matter that might have an influence on the exercise of the candidate's or member's public duties.

The disclosure obligation, however, should not be interpreted so that the burden of detailed disclosure makes it impractical for persons to serve as members, thereby depriving the Parties and Participants of the services of those who might be best qualified to serve as members. Thus, candidates and members should not be called upon to disclose interests, relationships, or matters whose bearing on their role in the Proceeding would be trivial.

Throughout the Proceeding, candidates and members have a continuing obligation to disclose, in writing, any interest, relationship, or matter that may bear on the integrity or impartiality of the dispute resolution process.

This Code of Conduct does not determine whether or under what circumstances the Parties will disqualify a candidate or member from being appointed to, or serving as a Presiding Body member on the basis of disclosures made.

Part 1: Interpretation

1. In this Code of Conduct:

candidate means:

(a) an individual whose name appears on a roster established under Annex 1005.2; or

(b) an individual who is under consideration for appointment as a member of a Presiding Body pursuant to Annex 1005.2;

family means two or more individuals related to each other by reason of blood relationships, marriage, or adoption;

member means a member of a Presiding Body established pursuant to this Agreement; and

staff, in respect of a member, means individuals under the direction and control of the member.

Part 2: Responsibilities to the Process

2. Every candidate, member, and former member has the responsibility to avoid impropriety and the appearance of impropriety, and shall observe high standards of conduct so that the integrity and impartiality of the dispute resolution process is preserved.

Part 3: Disclosure Obligations

Initial Disclosure Obligation

3. A candidate shall disclose any interest, relationship, or matter that is likely to affect the candidate's independence or impartiality, or that might create a reasonable apprehension of bias or appearance of impropriety in the Proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships, and matters.

4. Upon consideration for membership on a Presiding Body, and at the request of the Secretariat, the candidate shall disclose such interests, relationships, and matters by completing an Initial Disclosure Statement provided by the Secretariat, and sending it to the Secretariat.

5. Without limiting the generality of the foregoing, candidates shall disclose the following interests, relationships, and matters:

(a) any financial or personal interest of the candidate:

(i) arising out of any personal, professional, or other relationship with Persons associated with the Proceeding or who may benefit from its outcome; and

(ii) arising out of any issue, that may be decided in the Proceeding for which the candidate is under consideration, or in another Proceeding, or in an administrative or domestic court Proceeding, that involves similar issues;

(b) any financial interest of the candidate's employer, partner, business associate, or member of his or her family:

(i) arising out of any personal, professional, or other relationship with Persons associated with the Proceeding, or who may benefit from its outcome; and

(ii) arising out of any issue that may be decided in the Proceeding for which the candidate is under consideration, or in another Proceeding, or in an administrative or domestic court Proceeding, that involves similar issues;

(c) any past or existing financial, business, professional, family, or social relationship with any Participating Parties or Participants in the Proceeding, or their representatives or counsel, or any such relationship involving a candidate's employer, partner, business associate, or member of his or her family; and

(d) public advocacy, or legal or other representation, concerning an issue in dispute in the Proceeding, or involving the same goods or services.

Supplemental Disclosure Obligation

6. A member in a Proceeding shall, after receiving the written submissions and counter-submissions of the Participating Parties or Participants, disclose any interests, advocacy or representation, particularly as referred to in paragraph 5(a)(ii), 5(b)(ii), or paragraph 5(d), by completing a Supplementary Disclosure Statement provided by the Secretariat and sending it to the Secretariat.

Continuing Disclosure Obligation

7. Once appointed, a member shall continue to make all reasonable efforts to become aware of any interests, relationships, or matters referred to in section 3 and shall disclose them. The obligation to disclose is a continuing duty which requires a member to disclose any such interests, relationships, and matters that may arise during any stage of the Proceeding.

8. The member shall disclose in writing such interests, relationships, and matters by communicating them to the Secretariat for consideration by the appropriate Parties.

Part 4: The Performance of Duties by Candidates and Members

9. A candidate who accepts an appointment as a member shall be available to perform, and shall perform, a member's duties thoroughly and expeditiously throughout the course of the Proceeding.

10. A member shall carry out all duties fairly and diligently, and comply with the provisions of this Chapter, the applicable rules, and the Code of Conduct.

11. A member shall not deny other members the opportunity to participate in all aspects of the Proceeding.

12. A member shall consider only those issues raised in the Proceeding and necessary to make a decision and shall not delegate the duty to decide to any other individual, except as provided in the applicable rules. A member shall make his or her decision based solely on the official record.

13. A member shall take all reasonable steps to ensure that the member's staff comply with Parts 2, 3, and 7 of this Code of Conduct.

14. A member shall not make any communication concerning the Proceeding outside the scope of Presiding Body review. A member shall not have any communication with a Participating Party or Participant, except in the presence of all other members and Participating Parties or Participants.

15. A candidate or member shall not communicate matters concerning actual or potential violations of this Code of Conduct unless the communication is to the Secretariat and is necessary to ascertain whether that candidate or member has violated or may violate the Code.

Part 5: Independence and Impartiality of Members

16. A member shall be independent and impartial. A member shall act in a fair manner and shall avoid creating a reasonable apprehension of bias or an appearance of impropriety.

17. A member shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party, or fear of criticism.

18. A member shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of the member's duties.

19. A member shall not use the member's position on the Presiding Body to advance any personal or private interests. A member shall avoid actions that may create the impression that others are in a special position to influence the member. A member shall make every effort to prevent or discourage others from representing themselves as being in such a position.

20. A member shall not allow past or existing financial, business, professional, family, or social relationships or responsibilities to influence the member's conduct or judgment.

21. A member shall avoid entering into any relationship, or acquiring any financial or personal interest, that is likely to affect the member's impartiality, or that might create a reasonable apprehension of bias or an appearance of impropriety.

Part 6: Post Proceeding Conduct

22. For a period of one year after the completion of a Proceeding, a former member shall not personally advise or represent any Participating Party or Participant in the Proceeding with respect to any issues which arose in the Proceeding.

23. A member or former member shall not represent a Participating Party or Participant in a Proceeding involving the issues in dispute before the Presiding Body, or in an administrative or domestic court proceeding involving similar issues.

24. A former member shall avoid actions that may create the appearance that the member was biased in carrying out the member's duties or would benefit from the decision of the Presiding Body.

Part 7: Maintenance of Confidentiality

25. A member or former member shall not at any time disclose or use any non-public information concerning the Proceeding or acquired during the Proceeding, except for the purposes of the Proceeding, nor disclose or use any such information to gain personal advantage or advantage for others, or to affect adversely the interest of another.

26. A member shall not disclose a Presiding Body Report or Presiding Body decision prior to its release by the Secretariat.

27. A member or former member shall not disclose the ongoing deliberations of a Presiding Body, except as required by law.

Part 8: Responsibilities of Staff

28. Parts 2 and 7 of this Code of Conduct also apply to staff. Part 3 applies to staff to the extent that they are not obliged to submit disclosure statements, but have an initial and continuing obligation to disclose to Presiding Body members any interests, relationships, or matters that may bear on the integrity or impartiality of the dispute resolution process.

Part 9: Responsibilities of the Secretariat and Breaches of the Code of Conduct

29. The Secretariat shall take all necessary steps to protect the confidentiality of disclosure statements and any subsequent disclosures.

30. Any communication to the Secretariat regarding a conflict of interest, a reasonable apprehension of bias or an appearance of impropriety shall be conveyed to the Participating Parties or Participants for the purposes of determining whether there has been a breach of this Code of Conduct.

31. If a Disputing Party or Disputant believes that there has been a breach of this Code of Conduct by a member of a Presiding Body before which the Disputing Party or Disputant has appeared or will appear, the Disputing Party or Disputant may submit a written complaint to the Secretariat as soon as possible after discovering the breach. The Secretariat shall immediately distribute the complaint to the other Participating Parties or Participants and to the Presiding Body. The Presiding Body member who is the subject of the complaint may respond to the complaint in writing, by submitting such response to the Secretariat within 10 days after being notified of the complaint. The Secretariat shall distribute any written response to the Participating Parties or Participants and to the other

members of the Presiding Body.

32. If the Presiding Body has only one member, in the event the Disputing Parties or Disputants are unable to agree as to whether there has been a breach of this Code of Conduct, the matter shall be decided by an individual from the Appellate Panel roster selected by lot by the Secretariat, excluding any individual appointed to the roster by a Disputing Party or Disputant, or resident in the territory of a Disputing Party or Disputant.

33. The Appellate roster member shall issue his or her decision, with reasons, to the Secretariat, which shall forward it to the Participating Parties or Participants. Where the Appellate roster member decides that there has been a breach, the Presiding Body member found to be in breach shall resign and a replacement shall be appointed in accordance with Rule 74 of Annex 1007.1 and 1024.1.

34. If the Presiding Body has three members, in the event that the Disputing Parties or Disputants are unable to agree as to whether there has been a breach of this Code of Conduct, the matter shall be decided by the remaining members of the Presiding Body.

35. If the remaining members of the Presiding Body cannot agree that there has been a breach of this Code of Conduct, the Presiding Body member alleged to have breached the Code shall continue to be a member of the Presiding Body. The remaining members of the Presiding Body shall issue their decision, with reasons, to the Secretariat, which shall forward it to the Participating Parties or Participants, without disclosing the position taken by the Presiding Body member.

36. If the remaining members of the Presiding Body agree that there has been a breach of this Code of Conduct, the Presiding Body member found to be in breach shall resign and a replacement shall be appointed by the remaining members of the Presiding Body from the applicable roster within 10 days after having reached such agreement. If they are unable to agree on a replacement within that period, the Secretariat shall select a replacement by lot from the applicable roster.

37. If the Presiding Body member required to be replaced under paragraph 36 was the only member of the Presiding Body with administrative law experience, the remaining members of the Presiding Body or the Secretariat, as the case may be, shall select a replacement with administrative law experience.

38. The Presiding Body shall determine, in consultation with the Participating Parties or Participants, all procedural matters associated with the resignation of a Presiding Body member and appointment of his or her replacement, including the point from which Proceedings shall resume.

CANADIAN FREE TRADE AGREEMENT

IN THE MATTER OF

(Secretariat file number)
(title of Proceeding)

INITIAL DISCLOSURE STATEMENT

I have read the Code of Conduct for Presiding Body Members (Code of Conduct) and the Panel, Compliance Panel, and Appellate Panel Rules of Procedure under Chapter Ten of the Canadian Free Trade Agreement and understand them. I am fully aware that Part 3 of the Code of Conduct requires that I disclose any interests, relationships, and matters that are likely to affect my independence or impartiality, or that might create a reasonable apprehension of bias or an appearance of impropriety in the Proceeding cited above ("the Proceeding").

I have read the request for Presiding Body review filed in the Proceeding and have made all reasonable efforts to determine whether there are any such interests, relationships, or matters. I make the following statement fully aware of my duties and obligations under the Code of Conduct.

1. I do not have any financial or personal interest in the Proceeding or in its outcome, except as follows:

2. I do not have any financial or personal interest in any other Proceeding, or in an administrative or domestic court proceeding, that involves issues similar to those that may be decided in the Proceeding, except as follows:

3. Neither my employer, partner, business associate, nor a member of my family has a financial interest in the Proceeding or in its outcome, except as follows:

4. Neither my employer, partner, business associate, nor a member of my family has a financial interest in another Proceeding, or in an administrative or domestic court proceeding, that involves issues similar to those that may be decided in the Proceeding, except as follows:

5. I do not have any past or existing financial, business, professional, family, or social relationship with any Participating Parties or Participants in the Proceeding, or their representatives or counsel, nor am I aware of any such relationship involving my employer, partner, business associate, or member of my family, except as follows:

6. I have not publicly advocated, nor have I provided legal or other representation, concerning any issue in dispute in the Proceeding, or involving the same goods or services, except as follows:

7. I do not have any interests or relationships, other than those described above, nor am I aware of any matters, that are likely to affect my independence or impartiality or that

might create a reasonable apprehension of bias, or an appearance of impropriety, except as follows:

I recognize that, once appointed, I have a continuing duty to make all reasonable efforts to become aware of any interest, relationship, or matter within the scope of Part 3 of the Code of Conduct that may arise during any stage of the Proceeding, and to disclose it in writing to the Secretariat, as and when I become aware of it.

Signature

Name of Signatory

Date

Annex 1040: Costs Annex

PART A: Government-to-Government Proceedings

Panel and Compliance Panel Proceedings

1. Rules 1 through 4 apply to a Panel Proceeding or Compliance Panel Proceeding initiated under Part A.

2. Operational Costs

2.1 Operational Costs shall be paid by one or more of the Participating Parties. Subject to Rule 2.3, a Presiding Body shall apportion Operational Costs among the Participating Parties in such amounts as it considers appropriate.

2.2 In exercising its discretion, the Presiding Body may consider:

(a) whether the Participating Parties complied with Article 1000;

(b) the outcome of the Proceeding; and

(c) other relevant considerations that may justify all or a major part of the responsibility for Operational Costs being borne by one of the Participating Parties.

2.3 If there are one or more Intervenors in a Proceeding, Operational Costs may also be apportioned among the Intervenors, but in no instance shall Intervenors be collectively responsible for more than one-third of Operational Costs.

3. Tariff Costs

Tariff Costs are not available to a Participating Party in a Proceeding to which this Rule applies.

4. Additional Costs

Additional Costs are not available to a Participating Party in a Proceeding to which this Rule applies.

Appellate Panel Proceedings

5. Rules 5 through 8 apply to Appellate Panel Proceedings initiated under Part A.

6. Operational Costs

6.1 Operational Costs shall be paid by the Appellant, Respondent, or both, or by any one or both of the foregoing together with one or more Intervenors. Subject to Rules 6.2 through 6.5, an Appellate Panel shall apportion

Operational Costs with a view to discouraging non-meritorious appeals.

6.2 In exercising its discretion, the Appellate Panel shall ordinarily order:

(a) that Operational Costs be borne by the Appellant if an appeal is unsuccessful; or

(b) that Operational Costs be borne equally by the Appellant and Respondent if an appeal is successful.

6.3 The Appellate Panel may apportion Operational Costs between the Appellant and Respondent differently than provided in Rule 6.2 if justified by other relevant considerations, including:

(a) the conduct of an Appellant or Respondent; and

(b) the extent of an Appellant's or Respondent's success.

6.4 If there are one or more Intervenors in an appeal, Operational Costs may also be apportioned among Intervenors commensurate with the Operational Costs incurred as a result of their participation, but in no instance shall Intervenors collectively be responsible for more than one-third of Operational Costs.

6.5 For greater certainty, an Appellate Panel retains the jurisdiction to issue an order respecting Operational Costs if an Appellate Panel Proceeding is discontinued.

7. Tariff Costs

7.1 Subject to Rules 7.2 through 7.7, an Appellate Panel may order Tariff Costs to be paid in such amount, up to but not exceeding the maximum allowable amounts for the calendar year in which the order is made, as it considers appropriate.

7.2 The primary objective of an order of Tariff Costs is to discourage non-meritorious appeals.

7.3 If an appeal is unsuccessful, the Appellate Panel shall ordinarily order the Appellant to pay the Tariff Costs of the Respondent.

7.4 If an appeal is successful, the Appellate Panel shall ordinarily make no order respecting Tariff Costs.

7.5 Notwithstanding Rules 7.3 and 7.4, the Appellate Panel may make a different order respecting Tariff Costs if justified by other relevant considerations, including:

(a) the conduct of the Appellant or Respondent during the Proceeding;

(b) the extent of the Appellant's or Respondent's success; and

(c) the reasonableness of the costs based on the complexity of the complaint and the duration of the Proceeding.

7.6 The Appellate Panel shall make no order respecting the Tariff Costs of an Intervenor. An Intervenor shall bear its own Tariff Costs.

7.7 For greater certainty, the Appellate Panel retains the jurisdiction to issue an order respecting Tariff Costs if an appeal is discontinued.

8. Additional Costs

Additional Costs are not available to an Appellant, Respondent or Intervenor in an Appellate Panel Proceeding.

PART B: Person-to-Government Proceedings

Panel and Compliance Panel Proceedings

9. Rules 9 through 13 apply to a Panel Proceeding, summary dismissal of Proceedings, or Compliance Panel Proceeding initiated under Part B.

10. Operational Costs

10.1 Operational Costs shall be paid by one or more of the Participants. Subject to Rule 10.3, a Presiding Body shall apportion Operational Costs among the Participants in such amounts as it considers appropriate.

10.2 In exercising its discretion, the Presiding Body may consider:

(a) the outcome of the Proceedings; and

(b) other relevant considerations that may justify all or a major part of the responsibility for Operational Costs being borne by one of the Participants.

10.3 If there are one or more Intervenors in a Proceeding, Operational Costs may also be apportioned among Intervenors, but in no instance shall Intervenors be collectively responsible for more than one-third of Operational Costs.

10.4 A Presiding Body may, at the request of a Participant or on its own initiative, require a Participant that is a Complaining Person to post security for Operational Costs that may be apportioned to such Participant.

10.5 Notwithstanding anything else in this Rule, a Party may, in its discretion, assume full or partial responsibility for paying Operational Costs (if any) that have been apportioned to a Person of that Party under this Rule.

11. Tariff Costs

11.1 Subject to Rules 11.2 through 11.5, a Presiding Body may order Tariff Costs to be paid by a Party in such amount not exceeding the maximum allowable amounts for the calendar year in which the order is made, as it considers appropriate.

11.2 A Presiding Body may only make an order respecting Tariff Costs in favour of the successful Complaining Person in a Proceeding.

11.3 In exercising its discretion, the Presiding Body shall consider:

(a) the conduct of the Complaining Person during the Proceeding; and

(b) the reasonableness of the costs based on the complexity of the complaint and the duration of the Proceeding.

11.4 When determining the amount of Tariff Costs to be paid to a Complaining Person, a Presiding Body shall not take into account:

(a) whether or not it has ordered a Party to pay a Monetary Penalty; or

(b) the amount of a Monetary Penalty it has ordered a Party to pay.

11.5 When determining the amount of Tariff Costs to be paid to a Complaining Person, the Presiding Body shall ensure that the limitation in Article 1029.2 is not exceeded.

12. Additional Costs – Panel Proceedings or summary dismissal of Proceedings

Additional Costs are not available to a Participant in a Panel Proceeding or summary dismissal of Proceeding to which this Rule applies.

13. Additional Costs – Compliance Panel Proceedings

13.1 Subject to Rules 13.2 through 13.5, a Compliance Panel may order Additional Costs to be paid by a Party in such amount as it considers appropriate.

13.2 A Compliance Panel may only make an order respecting Additional Costs in favour of the successful Complaining Person in a Compliance Panel Proceeding.

13.3 In exercising its discretion, the Compliance Panel shall consider:

(a) the conduct of the Complaining Person during the Proceeding; and

(b) the reasonableness of the costs based on the complexity of the complaint and the duration of the Proceeding.

13.4 When determining the amount of Additional Costs to be paid to a Complaining Person, a Compliance Panel shall not take into account:

(a) whether or not it has ordered a Party to pay a Monetary Penalty; or

(b) the amount of any Monetary Penalty it has ordered a Party to pay.

13.5 When determining the amount of Additional Costs to be paid to a Complaining Person, the Compliance Panel shall ensure that the limitation in Article 1029.2 is not exceeded.

Appellate Panel Proceedings

14. Rules 14 through 17 apply to Appellate Panel Proceedings initiated under Part B.

15. Operational Costs

15.1 Operational Costs of an Appellate Panel Proceeding shall be paid by the Appellant or Respondent or both, or by any one or both of the foregoing together with one or more Intervenors. Subject to Rule 15.4, an Appellate Panel shall apportion Operational Costs with a view to discouraging non-meritorious appeals.

15.2 In exercising its discretion, the Appellate Panel shall ordinarily order:

(a) that Operational Costs be borne by the Appellant if an appeal is unsuccessful; or

(b) that Operational Costs be borne equally by the Appellant and Respondent if an appeal is successful.

15.3 The Appellate Panel may apportion Operational Costs between the Appellant and Respondent differently than provided in Rule 15.2 if justified by other relevant considerations, including:

(a) the conduct of an Appellant or Respondent; and

(b) the extent of an Appellant's or Respondent's success.

15.4 If there are one or more Intervenors in an appeal, Operational Costs may also be allocated to Intervenors commensurate with the Operational Costs incurred as a result of their participation, but in no instance shall Intervenors collectively be responsible for more than one-third of Operational Costs.

15.5 An Appellate Panel may, at the request of an Appellant or Respondent or on its own initiative, require an Appellant or Respondent that is a Complaining Person to post security for Operational Costs that may be apportioned to such Appellant or Respondent.

15.6 For greater certainty, an Appellate Panel retains the jurisdiction to issue an order respecting Operational Costs if an Appellate Panel Proceeding is discontinued.

16. Tariff Costs

16.1 Subject to Rules 16.2 through 16.10, an Appellate Panel may order Tariff Costs to be paid in such amount, up to but not exceeding the maximum allowable amounts for the calendar year in which the order is made, as it considers appropriate.

16.2 The primary objective of an order of Tariff Costs is to discourage non-meritorious appeals.

16.3 If an appeal is unsuccessful, the Appellate Panel shall ordinarily order the Appellant to pay the Tariff Costs of the Respondent.

16.4 If an appeal is successful, the Appellate Panel shall ordinarily make no order respecting Tariff Costs.

16.5 Notwithstanding Rules 16.3 and 16.4, the Appellate Panel may make a different order respecting Tariff Costs if justified by other relevant considerations, including:

(a) the conduct of the Appellant or Respondent during the Proceeding;

(b) the extent of the Appellant's or Respondent's success;

(c) the reasonableness of the costs based on the complexity of the complaint and the duration of the Proceeding.

16.6 When determining the amount of Tariff Costs to be paid to a Complaining Person, the Appellate Panel shall not take into account:

(a) whether or not it has ordered a Party to pay a Monetary Penalty; or

(b) the amount of any Monetary Penalty it has ordered a Party to pay.

16.7 When determining the amount of Tariff Costs to be paid to a Complaining Person, the Appellate Panel shall ensure that the limitation in Article 1029.2 is not exceeded.

16.8 The Appellate Panel shall make no order respecting the Tariff Costs of an Intervenor. An Intervenor shall bear its own Tariff Costs.

16.9 An Appellate Panel may, at the request of an Appellant or Respondent or on its own initiative, require an Appellant or Respondent that is a Complaining Person to post security for Tariff Costs that may be apportioned to such Appellant or Respondent.

16.10 For greater certainty, the Appellate Panel retains the jurisdiction to issue an order respecting Tariff Costs if an appeal is discontinued.

17. Additional Costs

Additional Costs are not available to an Appellant, Respondent, or Intervenor in an Appellate Panel Proceeding.

18. Effect of Interpretive Notes on Costs

A request under this Rule may be made in a Proceeding initiated under Part B.

If an interpretive note is issued by the Parties under Article 1208 (Issuance of Interpretative Notes) before all possible Proceedings with respect to a measure that is or has been the subject of a request for a Panel under Article 1018 have been completed, a Presiding Body may, if reasonable in the circumstances and consistent with principles of fairness, do one or more of the following on the Complaining Person's request:

(a) cause the security for costs posted by the Complaining Person or any monies realized therefrom to be returned to the Complaining Person or otherwise released to the Complaining Person;

(b) cause the Complaining Person to be reimbursed for any expenses incurred in the course of posting such security;

(c) cause the Complaining Person to be reimbursed for any Operational Costs or Tariff Costs the Complaining Person has paid;

(d) direct one or more Participants that are Parties, or other Parties, to fund the payments or reimbursements referred to in paragraphs (a) through (c); or

(e) repeal any order of a Presiding Body pursuant to which the Complaining Person has been ordered to pay Operational Costs or Tariff Costs.

PART C: General Rules

All Proceedings

19. Rules 19 through 22 apply to Proceedings initiated under this Chapter.

20. The Party or Person claiming Tariff Costs or Additional Costs shall submit a statement of costs to the Presiding Body within such time as required by the Presiding Body, and shall provide a copy thereof to the other Disputing Parties or Disputants.

21. Operational Costs are immediately due and payable to the Internal Trade Secretariat Corporation.

22. When considering the conduct of the Disputing Parties or Disputants in apportioning costs, the Panel, Compliance Panel, or Appellate Panel shall consider whether the conduct of the Disputing Party or Disputant contributed to efficient and expeditious Proceedings or unnecessarily increased the length and costs of the Proceedings. Relevant considerations include whether the Disputing Party or Disputant:

(a) complied with Annex 1007.1 and 1024.1 or Annex 1021, as the case may be;

(b) complied with decisions, directions, and orders of the Presiding Body, including those made in respect of procedural matters;

(c) co-operated with the other Participating Parties or Participants, the Presiding Body, and the Secretariat, and acted in good faith throughout the Proceedings, including in the timely exchange of information; and

(d) participated in any pre-hearing conferences and hearings in an informed and responsible manner.

Chapter Eleven - Institutional Provisions

Article 1100: Committee on Internal Trade

1. The Committee on Internal Trade, as established under Article 1600 (Committee on Internal Trade) of the Agreement on Internal Trade, is continued under this Agreement.

2. The Committee shall:

(a) supervise the implementation of this Agreement;

(b) assist in the resolution of disputes arising out of the interpretation and application of this Agreement;

(c) approve the annual operating budget of the Secretariat; and

(d) consider any other matter that may affect the operation of this Agreement.

Article 1101: Committee Structure and Procedures

1. The Committee shall be composed of cabinet-level representatives, or their designates, of each of the Parties.

2. The Committee may establish or amend its own practices and procedures.

3. The Committee shall meet:

(a) annually; and

(b) at any other time at the call of the Chair, at the request of two or more Parties, or as may be agreed by the Committee.

4. Subject to paragraph 5, each Party shall act as Chair of the Committee for one year, beginning January 1 of each year and ending on December 31, according to the following rotation:

New Brunswick
Quebec
Nova Scotia
Newfoundland and Labrador
British Columbia
Yukon
Saskatchewan
Prince Edward Island
Northwest Territories

Nunavut
Canada
Manitoba
Ontario
Alberta
New Brunswick

5. The Chairperson of the Committee on Internal Trade under the Agreement on Internal Trade on the effective date will act as Chair of the Committee until the end of that calendar year.

6. All decisions and recommendations of the Committee shall be made by consensus, except as provided in this Agreement.

7. The Committee shall prepare an annual report on the functioning of this Agreement.

Article 1102: Secretariat

1. The Internal Trade Secretariat, as established under Article 1603 (Secretariat) of the Agreement on Internal Trade, is continued under this Agreement. The Secretariat shall be headed by a Managing Director, with an office to provide administrative and operational support to the Committee, working groups, and other committees, and any other support as the Committee may direct.

2. The Managing Director shall prepare an annual operating budget for review and approval by the Committee.

3. The Parties shall contribute to the annual operating budget as follows:

(a) Government of Canada - 50 per cent of the budget; and

(b) Provinces collectively - 50 per cent of the budget.

4. The respective share of each Province shall be determined by the size of its population, in percentage terms, relative to the total population of Canada as determined by the most recent national census. This apportionment shall be reviewed and revised as required after every subsequent national census.

Article 1103: Committees and Working Groups

Establishment of Committees and Working Groups

1. The Parties may establish any committee or working group that shall be composed of representatives of each Party, except as agreed by the Parties.

2. Committees or working groups established under paragraph 1 may undertake the following activities:

(a) monitor the Parties' implementation of this Agreement;

(b) identify and resolve implementation issues;

(c) identify opportunities for progress on future collaboration and liberalization efforts;

(d) provide a forum for discussions between the Parties on issues relating to trade, investment, or labour mobility within Canada; and

(e) report on matters of relevance to the Committee when required.

Committee on Consumer-Related Measures and Standards

3. The Committee on Consumer-Related Measures and Standards ("Consumer Measures Committee"), established under Article 809 (Committee on Consumer-Related Measures and Standards) of the Agreement on Internal Trade, is continued under this Agreement.

4. The Consumer Measures Committee shall, among other things:

(a) provide a forum for discussions among the Parties on issues relating to consumer-related measures and standards;

(b) identify opportunities, and facilitate processes, for the reconciliation of consumer-related regulatory measures that could be considered by the RCT established under Article 404 (Regulatory Reconciliation and Cooperation Table);

(c) assist the Parties in their proposals to the RCT to cooperate in the development of future consumer-related regulatory measures under Article 408 (Joint Development of Future Regulatory Measures); and

(d) report to the Committee of Ministers Responsible for Consumer-Related Measures and Standards regarding any significant collaboration between the Parties on consumer protection initiatives or agreements, if appropriate, for transmittal to the Committee.

Working Group on Alcoholic Beverages

5. The Parties shall establish a working group on alcoholic beverages ("Alcoholic Beverages Working Group") composed of representatives of each Party.

6. Within one year of the effective date, the Alcoholic Beverages Working Group shall submit a report to the Committee, which identifies specific opportunities and recommends initiatives to further enhance trade in alcoholic beverages within Canada, while being mindful of social responsibility and international obligations.

7. Further to paragraph 6, the report may include the identification of:

(a) new technologies and other approaches to improve consumer choice and convenience in the alcoholic beverages sector; and

(b) opportunities to address regulatory barriers to trade in alcoholic beverages to be considered by the RCT established under Article 404 (Regulatory Reconciliation and Cooperation Table).

8. On the basis of the Alcoholic Beverages Working Group's report, the Parties shall determine how trade in alcoholic beverages within Canada can be further enhanced.

Working Group on Trade in Fish and Fish Products

9. The Parties shall establish a working group on trade in fish and fish products to consider how to further enhance trade in fish and fish products within Canada under this Agreement.

Working Group on Party-Specific Exceptions

10. The Parties shall establish a working group on Party-specific exceptions to consider ways to minimize and to eliminate those exceptions to enhance the overall ambition of this Agreement.

Working Group on the Development of the Food Sector in the Territories

11. The Parties shall establish a working group on the development of the food sector in the Territories ("Territorial Food Sector Working Group") to address the challenges associated with producing healthy food and to mitigate the high costs of food for residents of the Territories. The Territorial Food Sector Working Group shall:

(a) identify ways in which the provinces and the Government of Canada could work with the Territories to better direct the innovation strengths of Canada's agriculture and agri-food sector to provide for economic benefits and improved access to healthy foods in the Territories; and

(b) assess and consider the role of supply management, including the quota allocation process, in economic development in the Territories.

12. The Government of Canada shall convene the Territorial Food Sector Working Group, which shall provide recommendations to the Committee within one year of the effective date.

Working Group on Economic Development Opportunities and Initiatives in the Territories Food Sector

13. In addition to the Territorial Food Sector Working Group, a separate working group consisting of only the Government of Canada and the Territories shall be convened to identify economic development opportunities and initiatives in the Territories' food sector

and to develop options within six months of the effective date.

Article 1104: Ministerial Committees

The Committee may coordinate with any Ministerial committee it considers necessary to fulfill the objective of this Agreement.

Chapter Twelve - Final Provisions

Article 1200: Reaffirmation of Constitutional Powers and Responsibilities

Nothing in this Agreement alters the legislative or other authority of Parliament or of the provincial legislatures or of the Government of Canada or of the provincial governments or the rights of any of them with respect to the exercise of their legislative or other authorities under the Constitution of Canada.

Article 1201: Language

This Agreement has been made and executed in English and French and both versions are equally authoritative.

Article 1202: Relationship to International Agreements

1. Nothing in this Agreement is intended to provide nor shall be construed to provide, directly or indirectly, to any person, Party, or non-Party, any right, claim, or remedy under any international agreement.

2. The Parties recognize that an essential ingredient for achieving Canada's trade and economic goals in the international arena is the cooperation between the Government of Canada and the Provinces.

3. Mechanisms set up in connection with international trade negotiations and agreements that allow for meaningful consultations with, and participation by, the Provinces will continue to be used by the Parties.

4. The Parties shall take appropriate steps to assess international obligations to ensure that the relationship between any international obligations and this Agreement is taken into account when new international obligations are negotiated or when international trade disputes arise.

Article 1203: Trade, Investment, and Labour Mobility Enhancing Arrangements

1. The Parties recognize that it is appropriate to enter into bilateral or multilateral arrangements in order to enhance trade, investment, or labour mobility.

2. This Agreement shall not prevent the maintenance or formation of a trade, investment, or labour mobility enhancing arrangement provided that:

(a) the arrangement liberalizes trade, investment, or labour mobility beyond the level achieved by this Agreement;

(b) there is full disclosure of the details of the arrangement to all other Parties at least 60 days prior to its implementation; and

(c) the signatories to the arrangement are prepared to extend the arrangement within a reasonable time to all other Parties willing to accept the terms of the arrangement.

3. Parties may enter into a regulatory reconciliation or regulatory cooperation trade enhancing arrangement separate from those processes set out in Parts B and C of Chapter Four (Regulatory Notification, Reconciliation, and Cooperation) regarding any measure that is outside of the scope of this Agreement.

Article 1204: Future Negotiations

1. The Parties have agreed to fulfil their commitments to negotiate particular matters as provided for in this Agreement.

2. The Committee may review the scope and coverage of this Agreement and make recommendations to the Parties to cover measures that are outside of the scope of this Agreement.

3. Before the conclusion of any negotiations referred to in paragraph 1, or any negotiations among the Parties pursuant to recommendations made under paragraph 2, respecting a particular matter, a Party shall not adopt a new measure or amend an existing measure relating to that matter in a manner that is not in accordance with the principles set out in Article 102 (Mutually Agreed Principles).

Article 1205: Financial Services

1. Except for Chapter Seven (Labour Mobility), and subject to paragraphs 4 through 6, this Agreement does not apply to any measure adopted or maintained relating to financial services.

2. In the exploratory discussions and negotiations described in paragraphs 3 through 5, a Party may include representation from its ministry responsible for financial services. These discussions shall also be informed by evidence and input from relevant stakeholders and regulators.

3. Within six months of the effective date, Parties shall commence exploratory discussions to assess the incorporation of rules applicable to financial services into this Agreement.

4. Following and informed by the exploratory discussions referred to in paragraph 3, the Parties shall:

(a) proceed with negotiations to incorporate rules applicable to financial services into this Agreement. These negotiations shall conclude within two years of the commencement of the exploratory discussions referred to in paragraph 3; and

(b) report to the Committee, at least every six months, on the exploratory discussions and negotiations.

5. The negotiations referred to in paragraph 4 shall be informed by relevant international obligations tailored to financial services.

6. Upon the conclusion of the negotiations referred to in paragraph 4, a Party may amend its exceptions set out in its Schedules in Part VII (Party Schedules) or its Schedule to Annex 519.1 (Party-Specific Exceptions) by listing exceptions to any new obligations relevant to financial services. Any such amendment made to a Party's exceptions shall become part of that Party's Schedules in Part VII or Schedule to Annex 519.1.

Article 1206: Existing Contracts

Nothing in this Agreement shall be construed to require a Party to:

(a) alter a contract entered into with a person before the date of execution of this Agreement, if that contract was authorized by a measure that is inconsistent with this Agreement; or

(b) alter such a contract that has been renewed on or after the date of execution of this Agreement, if it has been renewed pursuant to an option to renew.

Article 1207: Rules of Interpretation

1. This Agreement shall be interpreted in accordance with the ordinary meaning to be given to the terms of this Agreement in their context and in the light of the principles and objectives set out in the Preamble, Article 100 (Objective), and Article 102 (Mutually Agreed Principles).

2. In interpreting the provisions of this Agreement, a Presiding Body may take into account any relevant interpretations and findings contained in reports of:

(a) other Presiding Bodies established under this Agreement;

(b) WTO Panels and the WTO Appellate Body adopted by the WTO Dispute Settlement Body as well as decisions by other international tribunals; and

(c) Presiding Bodies established under the Agreement on Internal Trade.

3. This Agreement shall be interpreted in accordance with the reaffirmation set out in Article 1200.

4. If there is an inconsistency between a provision in Part II (General Rules) and a provision in Part III (Specific Rules), the provision in Part III prevails to the extent of the inconsistency.

5. If there is an inconsistency between two or more provisions in Part III (Specific Rules), the provision that more directly governs the subject matter at issue prevails to the

extent of the inconsistency. In making such a determination, in addition to considering the provisions at issue, reference may also be made to other relevant provisions, including the Preamble, Article 100 (Objective), and Article 102 (Mutually Agreed Principles).

6. A Party or Person asserting that a measure or proposed measure is inconsistent with the provisions of this Agreement has the burden of establishing that inconsistency. For the purposes of this paragraph, “Person” means a “Person” as defined in Article 1041 (Definitions).

7. A Party asserting that a measure or proposed measure is subject to an exception under this Agreement has the burden of establishing that the exception applies.

8. Reference to an article includes any annex referred to in that article.

9. Use of a term in the singular includes the plural and, as the context requires, *vice versa*.

10. The use of the word "including" means "including, but not limited to", and the use of the word "includes" means "includes, but is not limited to", unless it is otherwise clear from the context.

11. Time limits imposed by this Agreement shall be calculated as follows:

Time limits and holidays

(a) If the time limited for the doing of a thing expires or falls on a holiday, the thing may be done on the day next following that is not a holiday.

Number of days between two events

(b) If there is a reference to “at least” a number of days between two events or a minimum number of days between two events, in calculating that number of days, the days on which the events happen are excluded.

(c) If there is a reference to a number of days between two events, in calculating that number of days, the day on which the first event happens is excluded and the day on which the second event happens is included.

Beginning and ending of prescribed periods

(d) If a time is expressed to begin or end at, on, or with a specified day, or to continue to or until a specified day, the time includes that day.

After specified day

(e) If a time is expressed to begin after or to be from a specified day, the time does not include that day.

Within a time

(f) If anything is to be done within a time after, from, of, or before a specified day, the time does not include that day.

12. Nothing in this Agreement shall be construed to require a Party to conduct itself or its administration in a particular official language of a Party.

Article 1208: Issuance of Interpretative Notes

The Parties may, at any time, issue an interpretive note declaring their interpretation of this Agreement. Any such interpretive note conclusively reflects the Parties' intentions regarding the provision that is the subject matter of the interpretive note and is binding on the Parties and on every Presiding Body as of the date on which it is issued.

Article 1209: Entry into Force

1. Subject to paragraph 2, this Agreement shall enter into force on July 1, 2017 ("effective date"). By such date, the Parties shall have taken all measures necessary to give effect to this Agreement.

2. Chapter Five (Government Procurement) applies only to procurements commenced on or after the effective date. The procurement process commences after an entity has decided on its requirement.

Article 1210: Termination of the Agreement on Internal Trade

1. Subject to paragraphs 2 and 3, the parties to the Agreement on Internal Trade agreed that the Agreement on Internal Trade is terminated as of the effective date and is thereafter replaced by this Agreement.

2. Chapter Five (Procurement) of the Agreement on Internal Trade and the applicable provisions of Chapter Seventeen (Dispute Resolution Procedures) of the Agreement on Internal Trade will continue to apply after the effective date to any procurement commenced before the effective date. The procurement process commences after an entity has decided on its requirement.

3. A Pre-existing Dispute shall be resolved and conducted in accordance with the provisions of the Agreement on Internal Trade as provided in Article 1014 (Pre-existing Disputes).

Article 1211: Transitional Provisions

1. Subject to paragraph 3, during the period commencing on the date of execution of this Agreement and ending on the effective date, a Party shall not adopt any measure that would be inconsistent with this Agreement or amend or renew any measure in a manner that would decrease its consistency with this Agreement.

2. With the exception of measures falling within the scope of Chapter Five (Government Procurement) or Chapter Seven (Labour Mobility), measures adopted or maintained by a Party's regional, local, district, or other forms of municipal government shall not be subject to Chapter Ten (Dispute Resolution) for a period of two years following the effective date.

3. With the exception of measures falling within the scope of Chapter Five (Government Procurement) or Chapter Seven (Labour Mobility), paragraph 1 shall continue to apply to measures of a Party's regional, local, district, or other forms of municipal government for a period of two years following the effective date.

4. For greater certainty, as of the effective date, Chapter Five (Government Procurement) and Chapter Seven (Labour Mobility) apply to measures of a Party's regional, local, district, or other forms of municipal government falling within the scope of those chapters, and any measures falling within the scope of those chapters shall also be subject to Chapter Ten (Dispute Resolution).

5. Part A of Chapter Four (Regulatory Notification, Reconciliation, and Cooperation) does not apply to Yukon until one year following the effective date.

Article 1212: Amendments

The Parties may agree in writing to amend this Agreement and any such amendment will enter into force on the date agreed to by the Parties.

Article 1213: Modifications to Party-Specific Exceptions

Specific Definitions

1. For the purposes of this Article:

modifying Party means a Party proposing to remove in its entirety, or amend, one of its Party-Specific Exceptions;

objecting Party means a Party objecting to the amendment of a Party-Specific Exception; and

Party-Specific Exception means an exception in:

(a) a Party's Schedule in Part VII (Party Schedules); or

(b) a Party's Schedule to Annex 519.1 (Party-Specific Exceptions).

Removal of Party-Specific Exceptions

2. Notwithstanding Article 1212, a modifying Party may remove in its entirety a Party-Specific Exception by providing written notice to the Parties and the Secretariat of the proposed removal.

The removal of the Party-Specific Exception becomes effective on the date specified by the modifying Party in the written notice or, if not specified, when such notice has been received by the Secretariat.

3. Within five days after the removal becomes effective, the Secretariat shall adjust the Party-Specific Exception in the version of this Agreement that is published on this Agreement's website and circulate the adjustment to the Parties.

Amendment of Party-Specific Exceptions

4. Notwithstanding Article 1212, a modifying Party may propose amendments to a Party-Specific Exception by providing written notice to the Secretariat.

5. A modifying Party shall not use this Article to amend a Party-Specific Exception in Part VII to decrease a modifying Party's conformity, as it existed immediately before the amendment, with Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirement), or any other obligation as identified by the modifying Party in Part VII.

6. The notification given pursuant to paragraph 4 shall include in French and English:

(a) a technical draft of the proposed amendment;

(b) an explanation of the likely consequences of the proposed amendments to this Agreement; and

(c) subject to paragraph 17, the date on which the proposed amendment becomes effective.

7. The Secretariat shall circulate the written notice to the Parties within five days of its receipt.

Objection to the Amendment

8. With respect to a Party-Specific Exception in Part VII, if an objecting Party considers that a proposed amendment is inconsistent with paragraph 5, it may notify the Secretariat of its objection to the proposed amendment.

9. If an objecting Party considers that a proposed amendment diminishes coverage of the modifying Party provided for in the modifying Party's Schedule to Annex 519.1, it may notify the Secretariat of its objection to the proposed amendment.

10. An objection pursuant to paragraph 8 or 9 shall be made by the objecting Party in writing and set out the reasons why the proposed amendment is inconsistent with

paragraph 5 or diminishes the coverage referred to in paragraph 9. The objection shall be made within 45 days of receiving notice from the Secretariat pursuant to paragraph 7.

11. An objecting Party may withdraw its objection at any time by notifying the Secretariat in writing.

12. The Secretariat shall circulate the objection or withdrawal of objection to the Parties within five days of its receipt.

Consultations

13. With respect to a Party-Specific Exception in Part VII, the modifying Party and an objecting Party shall make every attempt to resolve the objection through consultations within 30 days of the objection being circulated to the Parties by the Secretariat.

14. With respect to a Party-Specific Exception in Annex 519.1, the modifying Party and an objecting Party shall make every attempt to resolve the objection through consultations within 30 days of the objection being circulated to the Parties by the Secretariat with the view to maintaining a balance of rights and obligations and a comparable level of mutually agreed coverage provided for in Chapter 5 (Government Procurement) of this Agreement.

Revised Amendment

15. The modifying Party shall notify the Secretariat of all revisions to the proposed amendment that result from the consultations.

16. The Secretariat shall circulate the revised proposed amendment to the Parties. Paragraphs 4 through 14 apply to the revised proposed amendment, with such changes as the context requires.

Effective Date of Amendment

17. A proposed amendment or revised proposed amendment becomes effective only if:

(a) no Party submits an objection to the Secretariat pursuant to paragraphs 8 through 10; or

(b) all objecting Parties have notified the Secretariat that they withdraw their objections.

18. Within five days after the amendment becomes effective, the Secretariat shall adjust the amended Party-Specific Exception in the annex of the version of the Agreement published on this Agreement's website and circulate the adjustment to the Parties.

Schedule of Procurement Exceptions – New Brunswick

19. Nothing in this Article shall supersede, supplant, amend, alter, repeal, or revoke, in any way, Condition 3 of the Schedule of New Brunswick to Annex 519.1.

Article 1214: Accession and Withdrawal

1. Any province or territory that is not a Party may accede to this Agreement on such terms as are agreed by the Parties.

2. A Party may withdraw from this Agreement 12 months after it gives notice in writing to the other Parties and the Secretariat.

PART VI – DEFINITIONS

Chapter Thirteen - Definitions

For the purposes of this Agreement, except as otherwise provided:

Agreement means the Canadian Free Trade Agreement, as amended;

Agreement on Internal Trade means the Agreement on Internal Trade, signed in 1994, as amended;

agricultural good means:

(a) an animal or plant or an animal or plant product; or

(b) a product, including any food or drink, wholly or partly derived from an animal or a plant,

but does not include fish or fish products or alcoholic beverages;

appropriate level of sanitary or phytosanitary protection means the level of protection deemed appropriate by the Party establishing a sanitary or phytosanitary measure to protect human, animal, or plant life or health within its territory;

cannabis means “cannabis” as defined in the *Cannabis Act* (Canada), as amended. For the purposes of this Agreement, “cannabis” does not include:

(a) a cannabis accessory that does not contain cannabis;

(b) “industrial hemp” and “derivatives” as defined in the *Industrial Hemp Regulations* (Canada), as amended*;*

(c) cannabis sold for medical purposes under the authorities of sections 26 and 27 of Part 2 or Part 14 of the *Cannabis Regulations* (Canada), as amended*;*

(d) drugs containing cannabis, as described in the *Cannabis Regulations* (Canada), as amended;

(e) “combination products”, as defined in the *Cannabis Regulations* (Canada), as amended; and

(f) cannabis that is not exempted from the application of the *Food and Drugs Act* (Canada) by virtue of the *Cannabis Exemption (Food and Drugs Act) Regulations* (Canada), as amended;

cannabis accessory means “cannabis accessory” as defined in the *Cannabis Act* (Canada), as amended, but does not include a cannabis accessory that contains cannabis;

cannabis plant means “cannabis plant” as defined in the *Cannabis Act* (Canada), as amended;

certified means, for the purposes of Chapter Seven (Labour Mobility), that a worker holds a certificate, licence, registration, or other form of official recognition issued by a regulatory authority of a Party, that attests to the worker being qualified and, if applicable, authorized to practice a particular occupation or to use a particular occupational title in the territory of that Party. For greater certainty, “certified” does not include only having work experience in a given occupation gained within a Party where certification is not required in order to practice that occupation;

CETA means the Canada-European Union Comprehensive Economic and Trade Agreement, signed October 30, 2016, as amended;

commercial activities means activities undertaken by an enterprise with an orientation toward profit-making and that result in the production or purchase of a good or the supply or purchase of a service that will be sold to a person in the relevant market in quantities and at prices determined by the enterprise. For greater certainty:

(a) activities undertaken by an enterprise that operates on a not-for-profit basis or on a cost-recovery basis are not activities undertaken with an orientation toward profit-making; and

(b) measures of general application to the relevant market shall not be construed as the determination by a Party of pricing, production, or supply decisions of an enterprise;

Committee means the Committee on Internal Trade continued under Article 1100 (Committee on Internal Trade);

conformity assessment procedure means any procedure used, directly or indirectly, to determine that relevant requirements in technical regulations or standards are fulfilled. Conformity assessment procedures include, *inter alia*, procedures for sampling, testing, and inspection; evaluation, verification, and assurance of conformity; registration, accreditation, and approval, as well as their combinations;

consumer means a natural person who is offered, acquires, or uses a good or service primarily for personal, family, or household purposes;

consumer-related measures and standards means measures and standards that are intended to protect the personal safety of consumers or the economic interests of consumers and are related to the offer, acquisition, or use of a good or service intended primarily for personal, family, or household purposes;

consumer protection means the protection of the personal safety of consumers or the economic interests of consumers and includes the enforcement of consumer-related measures and standards;

cost-of-service fee means a fee incident to the purchase, storage, delivery to sales points, handling, and sale of alcoholic beverages;

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

cultural industries means persons engaged in any of the following activities:

(a) the publication, distribution, or sale of books, magazines, periodicals, or newspapers in print or machine-readable form but not including the sole activity of printing or typesetting any of the foregoing;

(b) the production, distribution, sale, or exhibition of film or video recordings;

(c) the production, distribution, sale, or exhibition of audio or video music recordings;

(d) the publication, distribution, or sale of music in print or machine-readable form; or

(e) radio communications in which the transmissions are intended for direct reception by the general public, and all radio, television, and cable broadcasting undertakings and all satellite programming and broadcast network services;

date of execution of this Agreement means the date by which all Parties have signed this Agreement, being April 6, 2017;

days means calendar days including holidays;

***de facto* national standard** means a standard recognized by all Parties;

economic interests of consumers includes:

(a) quality of goods, services, and suppliers;

(b) accurate and timely information about goods, services, and suppliers, including cost of credit;

(c) contractual fairness;

(d) access to redress mechanisms;

(e) security of consumer deposits;

(f) prevention of unfair trade practices; and

(g) protection of privacy;

effective date means the “effective date” as defined in Article 1209 (Entry into Force);

enterprise means an entity constituted, established, or organized under applicable laws, whether for profit or not-for-profit and whether privately-owned or governmentally-owned;

enterprise means, for the purposes of Part E of Chapter Three (Special Provisions), an entity constituted, established, or organized under the applicable laws of a Party, whether privately-owned or governmentally-owned, including any corporation, trust, partnership, cooperative, sole proprietorship, joint venture, or other form of association, for the purpose of economic gain;

enterprise of a Party means an enterprise constituted, established, or organized under the laws of a Party;

environment means the components of the Earth and includes:

(a) land, water, and air, which includes all layers of the atmosphere;

(b) organic and inorganic matter and living organisms; and

(c) the interacting natural systems that include components referred to in paragraphs (a) and (b);

environmental measure means a measure, which has as its primary purpose the protection of the environment or the prevention of danger to human, animal, or plant life or health;

existing measure means a measure adopted before the effective date;

financial institution means a person that is subject to, or governed by, a measure adopted or maintained by a Party, or by a public body that exercises any regulatory or supervisory authority delegated to it, in respect of and by reason of the production or provision of a financial service;

financial service means any service or product of a financial nature, and a service incidental or auxiliary to a service of a financial nature, and includes:

(a) deposit-taking;

(b) loan and investment services;

(c) insurance;

(d) estate, trust, and agency services;

(e) securities; and

(f) all forms of financial or market intermediation including the distribution of financial products;

food good means an article manufactured, sold, or represented for use as food or drink for humans, chewing gum, and any ingredient that may be mixed with food for any purpose whatever, but does not include fish or fish products, alcoholic beverages, or cannabis;

gambling and betting includes:

(a) lottery schemes authorized in accordance with the *Criminal Code* (Canada), as amended;

(b) goods and services for lottery schemes authorized in accordance with the *Criminal Code* (Canada), as amended;

(c) promotional contests;

(d) amusement devices; and

(e) pari-mutuel wagering on any race or fight, or on a single sport event or athletic contest;

good of a Party means a good that is produced, manufactured, grown, or obtained in, used for a commercial purpose in, or distributed from, regardless of its place of origin, the territory of a Party;

government enterprise means an enterprise owned or controlled by a Party;

holiday means Saturday, Sunday, and any other day declared to be a public holiday by a Party;

in accordance with commercial considerations means price, quality, availability, marketability, transportation, and other terms and conditions of purchase or sale, or other factors that would normally be taken into account in the commercial decisions of a privately-held enterprise in the relevant market;

incentive means:

(a) a contribution with a financial value, including cash grants, loans, debt guarantees, or equity injections, made on preferential terms, which confers a benefit on the recipient of that contribution;

(b) a reduction in taxes or government levies otherwise payable aimed at a specific enterprise, whether organized as one enterprise or as a group of enterprises, but does not include such a reduction when it results from the general application of a tax law of a Party; or

(c) any form of income or price support that results directly or indirectly in a draw on the public purse;

investment means:

(a) the establishment, acquisition, or expansion of an enterprise;

(b) the acquisition of assets; or

(c) every kind of asset that an investor owns, or controls, directly or indirectly, and may include financial assets such as money, shares, bonds, debentures, partnership rights, receivables, inventories, capital assets, options, and goodwill;

investor of a Party means:

(a) a Party;

(b) a Canadian citizen or permanent resident of Canada; or

(c) an enterprise,

that seeks to establish, acquire, or dispose of an enterprise;

for the purposes of this definition, “enterprise” means an entity constituted, established, or organized under the applicable laws of a Party, whether privately-owned or governmentally-owned, including any corporation, trust, partnership, cooperative, sole proprietorship, joint venture, or other form of association, for the purpose of economic gain;

legitimate objective means any of the following objectives pursued within the territory of a Party:

(a) public security and safety;

(b) public order;

(c) protection of human, animal, or plant life or health;

(d) protection of the environment;

(e) consumer protection;

(f) protection of the health, safety, and well-being of workers; or

(g) programs for disadvantaged groups,

considering, among other things, if appropriate, fundamental climatic or other geographical factors, technological or infrastructural factors, or scientific justification;

"legitimate objective" does not include protecting the production of a Party or, in the case of the Government of Canada, favouring the production of a Province;

legitimate objective for labour mobility means one or more of the following objectives pursued within the territory of a Party:

(a) public security and safety;

(b) public order;

(c) protection of human, animal, or plant life or health;

(d) protection of the environment;

(e) consumer protection;

(f) protection of the health, safety, and well-being of workers;

(g) provision of adequate social and health services to all its geographic regions; and

(h) programs for disadvantaged groups;

licensing procedures means administrative or procedural rules, including for the amendment or renewal of a licence, which must be adhered to in order to demonstrate compliance with licensing requirements;

licensing requirements means substantive requirements, other than qualification requirements, which must be complied with in order to obtain, amend, or renew a licence or an authorization;

measure includes any legislation, regulation, directive, requirement, guideline, program, policy, administrative practice, or any other procedure. For the purposes of Chapter Five (Government Procurement), “measure” includes any action of a procuring entity regarding covered procurement;

monopoly means an entity, whether privately-owned or owned by a Party, that, in the relevant market in the territory of a Party, is designated the right to be the only provider or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such a grant;

National Occupational Analysis means a document developed pursuant to the Interprovincial Standards Red Seal Program that details tasks and subtasks performed by workers in a trade;

national standard means a standard approved as a National Standard of Canada by the Standards Council of Canada;

new measure means a measure adopted on or after the effective date;

non-governmental body, includes, for the purposes of Chapter Seven (Labour Mobility), professional corporations and associations, hospitals, health units, long-term care facilities, clinics, other health care/service organizations and authorities, professional regulatory bodies, school authorities, universities, colleges, and other educational and training institutions, trade unions, and industry associations, with or without authority delegated by law;

non-governmental body that exercises authority delegated by law means, for the purposes of Chapter Seven (Labour Mobility), any non-governmental body to whom authority has been delegated by provincial, territorial, or federal statute to set or implement measures related to:

(a) the establishment of occupational standards or certification requirements;

(b) the assessment of the qualifications of workers against established occupational standards or certification requirements; or

(c) the official recognition that an individual meets established occupational standards or certification requirements;

non-Party includes a foreign sovereign state;

occupation means a set of jobs that, with some variation, are similar in their main tasks or duties or in the type of work performed;

occupational standard means the skills, knowledge, and abilities required for an occupation as established by a regulatory authority of a Party and against which the qualifications of an individual in that occupation are assessed;

Parties means, as the context requires, all or some of the Parties to this Agreement;

Party means any signatory to this Agreement;

person means a natural person or an enterprise;

person of a Party means:

(a) a natural person resident in the territory of a Party; or

(b) an enterprise of a Party;

personal safety of consumers means the protection of consumers from hazards to health or physical safety arising from the use of a good or service;

Pre-existing Dispute means a “Pre-existing Dispute” as defined in Article 1041 (Definitions);

Presiding Body means a “Presiding Body” as defined in Article 1041 (Definitions);

Province means a province of Canada and includes Yukon, the Northwest Territories, and Nunavut;

qualification procedures are administrative or procedural rules that must be adhered to in order to demonstrate compliance with qualification requirements;

qualification requirements are substantive requirements relating to competency that must be complied with in order to obtain, amend, or renew an authorization;

RCT means "RCT" as defined in Article 404 (Regulatory Reconciliation and Cooperation);

reconciliation is the outcome of the implementation of a reconciliation agreement whereby the regulatory measures identified in that reconciliation agreement no longer act as a barrier to trade, investment, or labour mobility within Canada;

regulation means:

(a) for the Government of Canada, a "regulation" as defined in the *Statutory Instruments Act,* RSC 1985, c S-22;

(b) for Ontario, a "regulation" as defined in Part III of the *Legislation Act, 2006*, SO 2006, c 21, Schedule F;

(c) for Québec, a "regulation" as defined in the *Regulations Act,* RSQ, chapter R-18.1;

(d) for Nova Scotia, a "regulation" as defined in the *Regulations Act,* RSNS 1989, c 393;

(e) for New Brunswick, a "regulation" as defined in the *Regulations Act,* RSNB 2011, c 218;

(f) for Manitoba, a "regulation" as defined in *The Statutes and Regulations Act,* CCSM c S207;

(g) for British Columbia, a "regulation" as defined in the *Regulations Act,* RSBC 1996, c 402;

(h) for Prince Edward Island, a "regulation" as defined in the *Interpretation Act,* RSPEI 1988, c I-8;

(i) for Saskatchewan, a "regulation" as defined in *The Regulations Act, 1995,* SS 1995, c R-16.2;

(j) for Alberta, a "regulation" as defined in the *Regulations Act,* RSA 2000, c R14*;*

(k) for Newfoundland and Labrador, a “regulation” as defined in the *Interpretation Act,* RSNL 1990, c I-19;

(l) for Yukon, a “regulation” as defined in the *Interpretation Act,* RSY 2002, c 125;

(m) for the Northwest Territories, a “regulation” as defined in the *Interpretation Act,* RSNWT 1988, c I-8;

(n) for Nunavut, a “regulation” as defined in the *Statutory Instruments Act,* RSNWT (Nu) 1988, c S-13*,*

each as amended;

regulatory authority of a Party means a department, ministry, or similar agency of government of a Party or a non-governmental body that exercises authority delegated by law;

regulatory measure includes any decree, regulation, standard, order, requirement, procedure, process, assessment, legislation, or other instrument, with the exception of occupational standards;

risk assessment means the evaluation of:

(a) the likelihood of entry, establishment, or spread of a pest or disease within the territory of a Party according to the sanitary or phytosanitary measure that might be applied, and of the associated potential biological and economic consequences; or

(b) the potential for adverse effects on human or animal health arising from the presence of additives, contaminants, toxins, or disease-causing organisms in food, beverages, or feedstuffs;

sanitary or phytosanitary measure means any measure applied:

(a) to protect animal or plant life or health within the territory of the Party from risks arising from the entry, establishment, or spread of pests, diseases, disease-carrying organisms, or disease-causing organisms;

(b) to protect human or animal life or health within the territory of the Party from risks arising from additives, contaminants, toxins, or disease-causing organisms in foods, beverages, or feedstuffs;

(c) to protect human life or health within the territory of the Party from risks arising from diseases carried by animals, plants, or products thereof, or from the entry, establishment, or spread of pests; or

(d) to prevent or limit other damage within the territory of the Party from the entry, establishment, or spread of pests;

sanitary or phytosanitary measures include all relevant laws, decrees, regulations, requirements, and procedures including, *inter alia*, end product criteria; processes and production methods; testing, inspection, certification and approval procedures; quarantine treatments including relevant requirements associated with the transport of animals or plants, or with the materials necessary for their survival during transport; provisions on relevant statistical methods, sampling procedures and methods of risk assessment; and packaging and labelling requirements directly related to food safety;

Secretariat means the Internal Trade Secretariat continued under Article 1102 (Secretariat);

service supplier means a person of a Party that seeks to supply or supplies services;

standard means a document approved by a recognized body, that provides for common and repeated use, rules, guidelines, or characteristics for goods or services, or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking, or labelling requirements as they apply to a good, service, process, or production method;

supplier means a person of a Party that seeks to supply or supplies goods or services;

technical regulation means a document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking, or labelling requirements as they apply to a product, process, or production method;

tobacco control means a measure of a Party related to the production or consumption of manufactured tobacco products (including products made or derived from tobacco), their distribution, labelling, packaging, advertising, marketing, promotion, sale, purchase, or use, as well as enforcement measures, such as inspection, recordkeeping, and reporting requirements;

Territories means Yukon, the Northwest Territories, and Nunavut;

transportation of passengers includes activities related to the movement of natural persons by land or water, such as via taxis, buses, ferries, or rail;

worker means an individual, whether employed, self-employed, or unemployed, who performs or seeks to perform work for pay or profit;

worker of a Party means a worker resident in the territory of a Party; and

WTO means the World Trade Organization.

PART VII – PARTY SCHEDULES

ANNEX I: Exceptions for Existing Measures

Schedule of Canada

Annex I

1. CANADA	
Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Exception:	Article 312 (Market Access – Investment)

Measure(s):

Canada Business Corporations Act, RSC 1985, c C-44
Canada Business Corporations Regulations, 2001, SOR/2001-512
Canada Cooperatives Act, SC 1998, c 1
Canada Cooperatives Regulations, SOR/99-256

Description:

1. A corporation may place constraints 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 or control requirements, under certain laws set out in the *Canada Business Corporations Regulations, 2001*, 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. If 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 exception Canadian means "Canadian" as defined in the *Canada Business Corporations Regulations, 2001* or in the *Canada Cooperatives Regulations*.

2. CANADA

Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Exception:	Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measure(s):

Investment Canada Act, RSC 1985, c 28 (1st Supp.)
Investment Canada Regulations, SOR/85-611

Description:

1. Under the *Investment Canada Act*, the following acquisitions of control of Canadian businesses by "non-Canadians" are subject to review by the Director of Investments:
   (a) any direct acquisition of a Canadian business with assets of $5 million or more;
   (b) any indirect acquisition of a Canadian business with assets of $50 million or more;
   (c) any indirect acquisition of a Canadian business with assets between $5 million and $50 million that represent more than 50 per cent 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. Except as set out in paragraphs 3 and 7, the Director of Investments will review a direct "acquisition of control", as defined in the *Investment Canada Act*, of a Canadian business by a non-Canadian investor who has the benefit of international trade agreements if the value of the Canadian business is not less than $600 million, adjusted in accordance with the applicable methodology in January of each subsequent year as set out in the *Investment Canada Act*.
3. The higher threshold in paragraph 2 does not apply to a direct "acquisition of control" of a Canadian business by a state-owned enterprise that is a non-Canadian investor who has the benefit of international trade agreements. Such acquisitions are subject to review by the Director of Investments if the value of the Canadian business is not less than $375 million in 2016, 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

(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. The Minister can receive undertakings in connection with a proposed acquisition that is the subject of review. In the event of noncompliance with the *Investment Canada Act*, 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 2 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, other than a cultural business, by non-Canadian investors having the benefit of international trade agreements, is not reviewable.

10. Notwithstanding Article 313 (Performance Requirements), Canada may impose or enforce a measure or condition the receipt or continued receipt of an advantage that requires an investor of a Party to transfer technology, a production process, or other proprietary knowledge to a person or a Party, in Canada in connection with the review of an investment under the *Investment Canada Act*.

11. Except for measures or conditions relating to technology transfer as set out in paragraph 10 of this exception, Article 313 (Performance Requirements) applies to measures or conditions imposed or enforced under the *Investment Canada Act*.

12. For the purposes of this exception: 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*.

3. CANADA

Sector:	All Sectors

Sub-Sector:	
Industry Classification:	
Type of Exception:	Article 312 (Market Access – Investment)
Measure(s):	
Eldorado Nuclear Limited Reorganization and Divestiture Act, SC 1988, c 41 *Nordion and Theratronics Divestiture Authorization Act*, SC 1990, c 4	
Description:	

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. 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:
   (a) Cameco Limited (formerly Eldorado Nuclear Limited): 15 per cent per non-resident, 25 per cent in the aggregate; 25 per cent per resident, no aggregate limit;
   (b) Nordion International Inc.: 25 per cent in the aggregate; and
   (c) Theratronics International Limited: 49 per cent in the aggregate.
2. For the purposes of this exception, “non-resident” includes:
   (a) a natural person who is not a Canadian citizen and not ordinarily resident in Canada;
   (b) a corporation incorporated, formed or otherwise organized 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 per cent of the beneficial interest; and
   (f) a corporation that is controlled directly or indirectly by a trust referred to in subparagraph (e).

4. CANADA

Sector:	Communications

Sub-Sector:	Telecommunications transport networks and services radiocommunications
Industry Classification:	CPC 752
Type of Exception:	Article 312 (Market Access - Investment)

Measure(s):

Telecommunications Act, SC 1993, c 38
Canadian Telecommunications Common Carrier Ownership and Control Regulations, SOR/94-667
Radiocommunications Act, RSC 1985, c R-2
Radiocommunication Regulations, SOR/96-484

Description:

1. Foreign investment in facilities-based telecommunications service suppliers is restricted to a maximum, cumulative total of 46.7 per cent voting interest, based on 20 per cent direct investment and 33.3 per cent indirect investment.
2. Facilities-based telecommunications service suppliers must be controlled in fact by Canadians.
3. At least 80 per cent of the members of the board of directors of facilities-based telecommunications service suppliers must be Canadians.
4. Notwithstanding the restrictions described above:
   (a) foreign investment is allowed up to 100 per cent for suppliers conducting operations under an international submarine cable licence;
   (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 per cent for suppliers conducting operations under a satellite authorization; and
   (e) foreign investment is allowed up to 100 per cent for facilities-based telecommunications service suppliers that have revenues, including those of its affiliates, from the supply of telecommunications services in Canada representing less than 10 per cent of the total telecommunications services revenues in Canada.

5. CANADA

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining
Industry Classification:	CPC 120, 883

Type of Exception: Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Canada Oil and Gas Operations Act, RSC 1985, c O-7

Canada–Nova Scotia Offshore Petroleum Resources Accord Implementation Act,

SC 1988, c 28

Canada–Newfoundland and Labrador Atlantic Accord Implementation Act, SC 1987, c 3 Measures implementing the Canada–Yukon Oil and Gas Accord, including the *Canada–Yukon Oil and Gas Accord Implementation Act*, SC 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 Accord between the Government of Canada and the Government of Quebec for the joint management of petroleum resources in the Gulf of St. Lawrence, or any other similar federal-provincial accords related to the joint management of petroleum resources

Description:

1. Before any work, activity, or development plan may be approved under the *Canada Oil and Gas Operations Act*, a “benefits plan” must be approved by the Minister responsible for that Act.
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 Minister responsible for that Act has the authority to require that a benefits plan includes an “affirmative action program” 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 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 and the Northwest Territories Oil and Gas Accord.
5. Provisions continuing those set out in the *Canada Oil and Gas Operations Act* may be included in federal laws or regulations to implement accords with various Provinces, including the Canada-Quebec Gulf of St. Lawrence Petroleum Resources Accord. For the purposes of this exception 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 and Labrador Atlantic Accord Implementation Act* have an equivalent 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.

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.

6. CANADA

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining
Industry Classification:	CPC 120, 883
Type of Exception:	Article 313 (Performance Requirements)

Measure(s):

Hibernia Development Project Act, SC 1990, c 41
Canada–Newfoundland and Labrador Atlantic Accord Implementation Act, SC 1987, c 3

Description:

1. Under the *Hibernia Development Project Act*, 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 Labrador 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 *Canada–Newfoundland and Labrador Atlantic Accord Implementation Act*. "Benefits plans" are further described in this Schedule I-C-6.
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.

7. CANADA

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining

Industry Classification:	CPC 120, 883
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Canada–Newfoundland and Labrador Atlantic Accord Implementation Act, SC 1987, c 3 *Canada–Nova Scotia Offshore Petroleum Resources Accord Implementation Act*, SC 1988, c 28 *Canada Petroleum Resources Act*, RSC 1985, c 36 (2nd Supp.) *Territorial Lands Act*, RSC 1985, c T-7 *Federal Real Property and Federal Immovables Act*, SC 1991, c 50	
Description:	
1. This exception applies to production licences issued for “frontier lands” and “offshore areas” (areas not under provincial or territorial 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.	

8. CANADA

Sector:	Transportation
Sub-Sector:	Marine pilotage
Industry Classification:	CPC 74520
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services)
Measure(s):	
Pilotage Act, RSC 1985, c P-14	
Description:	
Canada’s regional pilotage authorities may, through their local responsibility for implementing the *Pilotage Act*, adopt or maintain local fees and exclusions from compulsory pilotage for the region that may differentiate between Provinces or regions.	

9. CANADA

Sector:	Communication Services
Sub-Sector:	Postal services
Industry Classification:	CPC 7511

Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Measure(s):	
Canada Post Corporation Act, RSC 1985, c C-10 *Letter Definition Regulations*, SOR/83-481	
Description:	
1. The sole and exclusive privilege of collecting, transmitting, and delivering letters (as defined in the *Letter Definition Regulations*) within Canada is reserved for the postal monopoly. 2. 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.	

Schedule of Ontario

Annex I

1. ONTARIO

Sector:	Ores and Minerals; Electricity; Gas; and Water
Sub-Sector:	Natural gas; electrical energy
Industry Classification:	CPC 120, 17, 334, 713, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access - Services), Article 312 (Market Access - Investment), Article 313 (Performance Requirements), Annex 309 Article 2 (Open and Non-Discriminatory Provision of Electricity Transmission Service)

Measure(s):

Ontario Energy Board Act, 1998, SO 1998, c 15, Schedule B

Electricity Act, 1998, SO 1998, c 15, Schedule A

Green Energy and Green Economy Act, 2009, SO 2009, c 12

Municipal Franchises Act, RSO 1990, c M-55

Description:

The Government of Ontario and its energy authorities, entities, and agencies, including Independent Electricity System Operator, Ontario Power Generation Inc., Hydro One Inc. and the Ontario Energy Board, and their successors or assigns, may permit one or more persons or entities to establish or expand electricity and gas infrastructure, and/or to produce, transmit, distribute, conserve, manage (demand and load), store, sell, retail or market energy (including electricity, natural gas and/or renewable energy) in any region in Ontario including on corridor lands. Further, the Government of Ontario and/or one of its energy authorities, the Independent Electricity System Operator, the Ontario Energy Board, or their successors or assigns, may regulate the rates, storage, standards, including information publishing, and/or services provided, including access to transmission service, by energy producers, distributors, transmitters, sellers, retailers, marketers, and storage companies in Ontario.

Without limiting the generality of the foregoing, measures and actions taken by Ontario and energy authorities, entities, and agencies mentioned above and their successors or assigns, may involve discretionary decisions, based on factors that may afford preferential treatment in favour of:

(a) residents of Ontario; and/or

(b) entities established under the laws of Canada or a Province thereof and having a place of business in Ontario.

For greater certainty, any enterprise formed under the laws of Ontario and having a place of business in Ontario, shall be treated in the same manner as an enterprise that is a resident of Ontario.

For greater certainty, nothing in this exception applies to hydrocarbon pipelines. For greater certainty, transparency and availability of information requirements under Annex 309(2)(c) will only be covered under this exception 18-months from the date that the Annex 309 exception enters into force.

2. ONTARIO

Sector:	Real Estate Services
Sub-Sector:	Real estate services on a fee or contract basis; real estate services involving own or leased property
Industry Classification:	CPC 821, 822
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Real Estate and Business Brokers Act, RSO 2002, c 30, Schedule C *General*, O Reg 567/05, s 24(1)	
Description:	
Real estate services must be supplied through a commercial presence in Ontario.	

3. ONTARIO

Sector:	Alcoholic Beverages
Sub-Sector:	Wine products
Industry Classification:	CPC 242
Type of Exception:	Article 313 (Performance Requirements)
Measure(s):	
Wine Content and Labelling Act, 2000, SO 2000, c 26, Schedule P *Content of Wine*, O Reg 659/00	
Description:	
A winery in Ontario may sell wine manufactured from a blend of imported and domestic grape products. Wineries must blend with a minimum of 25 per cent Ontario grape content per bottle.	

4. ONTARIO

Sector:	Trade Services
Sub-Sector:	Sale; maintenance and repair services of motor vehicles
Industry Classification:	CPC 611, 612
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access - Services)
Measure(s):	
Motor Vehicle Dealers Act, SO 2002, c 30, Schedule B	
Description:	
A motor vehicle dealer must be registered and operate only from a place authorized in the dealer's registration. The authorized place must be in Ontario.	

5. ONTARIO

Sector:	Tourism
Sub-Sector:	Travel agency; tour operator and tourist guide services
Industry Classification:	CPC 7471
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Travel Industry Act, 2002, SO 2002, c 30, Schedule D, s 4(1) *General*, O Reg 26/05, s 10(1)	
Description:	
Travel agents and travel wholesalers registered in Ontario may carry on business in Ontario only if their permanent place of business is in Ontario.	

6. ONTARIO

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine, and beer); liquor, wine, and beer stores; manufacturers of alcoholic beverages
Industry Classification:	CPC 24 (other than 244), 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Measure(s):
Liquor Control Act, RSO 1990, c L.18 *General*, O Reg 717/90 *Alcohol and Gaming Regulation and Public Protection Act*, RSO 1996, c 26, Schedule *Assignment of Powers and Duties*, O Reg 141/01 Registrar of the Alcohol and Gaming Commission of Ontario policies and practices
Description:
These measures permit Ontario to regulate and authorize the importation, purchase, production, distribution, supply, marketing, and sale of alcoholic beverages in Ontario and to conduct these activities, including through a provincial monopoly. Beer may only be sold in authorised government stores. The Alcohol and Gaming Commission of Ontario authorizes The Beer Store for the sale of domestic and import beer.

7. ONTARIO

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine, and beer); liquor, wine, and beer stores; manufacture of alcoholic beverages.
Industry Classification:	CPC 24, 62112, 62226, 63107
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Measure(s):
Liquor Control Act, RSO 1990, c L.18 *General*, O Reg 717/90 *Alcohol and Gaming Regulation and Public Protection Act*, RSO 1996, c 26, Schedule *Assignment of Powers and Duties*, O Reg 141/01 Registrar of the Alcohol and Gaming Commission of Ontario policies and practices
Description:
The Registrar of Alcohol and Gaming authorises Ontario wine, spirits, and beer manufacturers to operate stores for the sale of their own wine, spirits, and beer, respectively. Ontario competent authorities may maintain a measure within their respective jurisdictions provided it is implemented in a manner compatible with Ontario law: (a) limiting sales by a distillery or a winery on its premises to distilled spirits or wines produced there at prices no lower than those of the same distilled spirits or wines sold through outlets available for product produced outside of Ontario; or

(b)	requiring off site private wine store outlets in Ontario to sell only wines produced by Ontario wineries. The number of these off site private wine store outlets authorised to sell only wines produced by Ontario wineries shall not exceed 292 in Ontario.

8. ONTARIO

Sector:	Service of Membership Organizations
Sub-Sector:	Legal documentation and certification
Industry Classification:	CPC 8613, CPC 95910
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Marriage Act, RSO 1990, c M.3, ss 11 and 20	
Description:	
Ontario reserves the right to restrict the category of persons eligible to issue marriage licences, including on the basis of residence, and to require that a person registered under the Act to solemnise marriage must be an Ontario resident or have a parish or pastoral charge in whole or in part in Ontario.	

9. ONTARIO

Sector:	Forestry
Sub-Sector:	Logs of coniferous wood; logs of non-coniferous wood; manufacture of wood and of products of wood and cork, except furniture, manufacture of articles of straw and plaiting materials, on a fee or contract basis
Industry Classification:	CPC 0311, 0312, 8843
Type of Exception:	Article 312 (Market Access - Investment)
Measure(s):	
Crown Forest Sustainability Act 1994, SO 1994, c 25, s 34 *General*, O Reg 167/95	
Description:	
Licences that authorize the harvest of Crown timber (forest resource licences) are issued in respect of specific areas of land. As such, there are limits to the number of licences issued.	

10. ONTARIO

Sector:	Agriculture
Sub-Sector:	Products of agriculture; services incidental to agriculture
Industry Classification:	CPC 01, 8811 (except rental of agricultural equipment with operator)
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

Wild Rice Harvesting Act, RSO, 1990, c W.7, ss 1 and 3(2)

Description:

A person seeking to harvest wild rice on Crown lands must obtain a licence. Only those who have resided in Ontario for 12 consecutive months immediately preceding the application are eligible for a licence.

11. ONTARIO

Sector:	Business Services
Sub-Sector:	Services incidental to hunting
Industry Classification:	CPC 8813
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

Fish and Wildlife Conservation Act, 1997, SO 1997, c 41, s 1(1)
Trapping, O Reg 667/98, s 11(1)

Description:

Only a Canadian citizen or an Ontario resident may be issued a licence to hunt or trap fur-bearing animals. A resident is defined as a person whose primary residence is Ontario and who has actually resided in Ontario for a period of at least six months during the 12 months preceding the day that residence becomes material under this Act.

12. ONTARIO

Sector:	Recreational, Cultural and Sporting Services
Sub-Sector:	Sporting services and services incidental to hunting
Industry Classification:	CPC 9641, 8813
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):
Fish and Wildlife Conservation Act, 1997, SO 1997, c 41, s 1(1) *Hunting*, O Reg 665/98, s 12 Ontario Hunter Education Program Standards, Wildlife Policy Section, 2006
Description:
Only Ontario residents are eligible for appointment to instruct hunting education courses. A resident is defined as a person whose primary residence is Ontario and who has actually resided in Ontario for a period of at least six months during the 12 months preceding the day that residence becomes material under this Act.

13. ONTARIO

Sector:	Business Services
Sub-Sector:	Services incidental to hunting
Industry Classification:	CPC 8813
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Fish and Wildlife Conservation Act, 1997, SO 1997, c 41, ss 1(1) and 32 *Hunting*, O Reg 665/98, ss 94 and 95	
Description:	
To be eligible for a licence to act as a guide for hunting in the Territorial District of Rainy River and for migratory bird hunting on Lake St. Clair, an applicant must be an Ontario resident or Canadian citizen. A resident is defined as a person whose primary residence is Ontario and who has actually resided in Ontario for a period of at least six months during the 12 months preceding the day that residence becomes material under this Act.	

14. ONTARIO

Sector:	Educational Services
Sub-Sector:	Driver certification services
Industry Classification:	CPC 9290
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	

Highway Traffic Act, RSO 1990, c H.8, s 32 (5) Issuance of driver's licence, endorsements *Drivers' Licences*, O Reg 340/94 *Licences for Driving Instructors and Driving School*, O Reg 473/07 Driver Certification Program Policy Beginner Driver Education Program School Bus Driver Improvement Course
Description:
To be eligible for a licence to deliver driver education and training programs in Ontario, including the Driver Certification Program, the School Bus Driver Improvement Course, and the Beginner Driver Education Program, an applicant must own or lease premises in Ontario that serve as the driving school's office and classrooms.

15. ONTARIO

Sector:	Distribution Services
Sub-Sector:	Retail sales of pharmaceutical, medical, and orthopaedic goods
Industry Classification:	CPC 63211
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):
Livestock Medicines Act, RSO 1990, c L.23 *General*, O Reg 730/90
Description:
Only persons with an established place of business in Ontario are eligible to be licensed to sell livestock medicine in Ontario. Licences may be issued to sellers who have established a temporary place of business at events such as races and agricultural fairs or shows.

16. ONTARIO

Sector:	Business Services
Sub-Sector:	Collection agents
Industry Classification:	CPC 87902
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	

Collection and Debt Settlement Services Act, RSO 1990, c C.14 *General*, RRO 1990, Reg 74, s 13(10)
Description:
Collection agencies must operate from a permanent place of business in Ontario.

17. ONTARIO

Sector:	Agriculture and Fisheries
Sub-Sector:	Products of agriculture; forestry and fishing; wholesale trade services of agriculture raw materials and live animals; services incidental to agriculture, hunting, and forestry; services incidental to fishing
Industry Classification:	CPC 01, 021, 029, 04, 21, 22, 881 (other than rental of agricultural equipment with operator and 8814), 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Measure(s):
Farm Products Marketing Act, RSO, c F.9 *Milk Act*, RSO 1990, c M.12
Description:
The above measures allow the Province to regulate and issue various authorizations relating to the production and marketing of agricultural and food products within the Province, including measures related to the supply management of dairy, eggs, and poultry products. Exceptions against Right of Entry and Exit, Market Access (Services) and Market Access (Investment) are limited to regulating and issuing various authorizations relating to the production and marketing of fish and fish products within Ontario. Without limiting the generality of the foregoing, measures and actions taken by Ontario and entities, and agencies mentioned above, may involve discretionary decisions, based on factors that may afford preferential treatment in favour of: (a) residents of Ontario; or (b) entities established under the laws of Canada or a Province thereof and having a place of business in Ontario.

18. ONTARIO

Sector:	Cannabis

Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis
Industry Classification:	A, D, E
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Measure(s):

Cannabis Licence Act, 2018, SO 2018, c 12, Sched 2

O Reg 468/18 (General) under the *Cannabis Licence Act*, 2018

Cannabis Control Act, 2017, SO 2017, c 26, Sched 1

Ontario Cannabis Retail Corporation Act, 2017, SO 2017, c 26, Sched 2

Description:

The above measures allow Ontario to:

(a) Maintain limits on the number and location of retail stores operated by federally licensed producers (LPs);

(b) Limit eligibility for a retail operator licence based on i) direct or indirect partial or whole ownership or control by LPs or their affiliates, or ii) direct or indirect partial or whole ownership or control of an LP or its affiliates;

(c) Place limits on the number of retail store authorizations held by retail operator licence holders and their affiliates;

(d) Prohibit the sale of Cannabis in Ontario except through the Ontario Cannabis Retail Corporation (OCRC) and holders of a retail store authorization for a cannabis retail store in Ontario;

(e) Provide exclusive right to the OCRC, subject to certain exceptions, to sell Cannabis:

- (i) Online, without doing so through a cannabis retail store under the Cannabis Licence Act, 2018; and
- (ii) To a holder of a retail store authorization for the purpose of resale.

Schedule of Quebec

Annex I

1. QUÉBEC

Sector:	Business services
Sub-Sector:	Real estate services
Industry Classification:	CPC 821-822
Type of Exception:	Article 201 (Non–Discrimination)
Measure(s):	
Real Estate Brokerage Act, CQLR c C-73.2	
Description:	
A broker must have an establishment in Québec. In the case of a broker who acts on behalf of an agency, the broker's establishment is the agency's establishment. An agency must have an establishment in Québec.	

2. QUÉBEC

Sector:	Transport
Sub-Sector:	Road transportation
Industry Classification:	CPC 71231, 71232, 71233, 71234
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access Services), Article 312 (Market Access-Investment), Article 313 (Performance Requirements)
Measure(s):	
An Act respecting the Ministère des Transports, CQLR c M-28 *Transport Act*, CQLR c T-12 *An Act respecting owners, operators and drivers of heavy vehicles,* CQLR c P-30.3	
Description:	
The Minister of Transport determines the conditions that a heavy-vehicle operator located outside of Québec but in the territory of a Party to the Canadian Free Trade Agreement must meet to register in the bulk trucking register. The total number of registration allowed is not limited for operators outside of Québec but they cannot be transferred.	

Participation in the performance of a road construction, repair or maintenance work contract awarded by the Minister of Transport, is limited to small bulk trucking enterprises that subscribe to the brokerage service of an association holding a brokerage permit, for a minimum of 50 per cent of the transportation required that has to be offered to the brokerage permit holder. Bulk trucking enterprises that are not registered will only have access to the remaining 50 per cent of the transportation needed if the brokerage permit holder accepts the offer to transport 50 per cent of the transportation required.

To obtain a brokerage permit, a non-profit legal person or a cooperative shall demonstrate that it represents at least 35 per cent of the operators of heavy-vehicle that are registered in the bulk trucking register and that have its principal establishment in the zone for which the permit is applied for. An operator shall subscribe for brokerage services in the brokerage zone where he has his or her principal establishment or in the zone determined by regulation.

3. QUÉBEC

Sector:	Transport
Sub-Sector:	Maritime transport
Industry Classification:	CPC 72211
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
An Act respecting the Société des Traversiers du Québec, CQLR c S-14 *Transport Act*, CQLR c T-12	
Description:	
No person may be a member of the board of directors unless he is domiciled in Québec. Permit is issued to a person domiciled in Québec or having a compliant institution in Québec.	

4. QUÉBEC

Sector:	Recreational, cultural and sporting services
Sub-Sector:	Horse racing
Industry Classification:	CPC 02113, 96492
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
An Act respecting racing, CQLR c C-72.1	

Description:
Only a Québec race horse, as defined in the Rules respecting the breeding of Québec Standardbred race horses, can be entitled to a privilege or advantage A person who applies for registration of a Standardbred stallion with the *Régie des alcools, des courses et des jeux* must be a resident of Québec for at least 183 days.

5. QUÉBEC

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 312 (Market Access-Investment)

Measure(s):
An Act respecting the acquisition of farm land by non-residents, CQLR c A-4.1 *An Act respecting the preservation of agricultural land and agricultural activities,* CQLR c P-41.1 *An Act respecting the lands in the domain of the State*, CQLR c T-8.1
Description:
Direct or indirect acquisition of farm land by non-residents of Québec must be authorized by the *Commission de protection du territoire agricole du Québec*. When it receives an application for authorization by non-residents of Québec, the Commission takes into consideration the possible uses of the land for agricultural purposes and the economic consequences thereof. No person may, in a designated agricultural region, use a lot for any purpose other than agriculture without the authorization of the Commission, which takes into consideration specific socio-economics factors when rendering a decision. Québec residents are given priority in the purchase or lease of land in the domain of the State.

6. QUÉBEC

Sector:	Community, social and personal services
Sub-Sector:	Funeral, cremation and undertaking services
Industry Classification:	CPC 9703
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

An Act respecting medical laboratories, organ and tissue conservation and the disposal of human bodies, CQLR c L-0.2

Regulation respecting the application of the Act respecting medical laboratories, organ and tissue conservation and the disposal of human bodies, CQLR c L-0.2, r. 1

An Act respecting prearranged funeral services and sepultures, CQLR c A-23.001

Description:

A natural person seeking a permit to act as a funeral director, on his or her behalf or for a legal person, a partnership or an association having its head office in Québec, must have resided in Québec for at least 12 months preceding the request.

7. QUÉBEC

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 312 (Market Access-Investment), Article 313 (Performance Requirements)

Measure(s):

Cooperatives Act, CQLR c C-67.2

Description:

The Cooperatives Act places constraints on the issue, transfer and ownership of shares. Membership of the cooperative is subject to the member actually using the services offered by the cooperative and to the cooperative's ability to provide him with them. The Cooperatives Act also stipulates that every member of the cooperative or representative of a legal person or partnership that is a member may be a director. The head office of a cooperative, a federation or a confederation must at all times be located in Québec.

A cooperative, a federation or a confederation must carry on with its members a proportion of its total business according to a percentage determined by government regulation. In the case of a solidarity cooperative, this proportion is calculated separately for the members who are users of the cooperative and for those who are workers of the cooperative.

8. QUÉBEC

Sector:	Fisheries
Sub-Sector:	All Sub-Sectors

Industry Classification:	CPC 04, 882
Type of Exception:	Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)
Measure(s):	
Marine Products Processing Act, CQLR c T-11.01	
Description:	
The Minister may, by regulation, prescribe the minimum processing standards with which an operator must comply for the preparation or canning of a marine product. The standards may vary depending on the marine product.	

9. QUÉBEC

Sector:	Wildlife, hunting, fisheries and trapping
Sub-Sector:	All Sub-Sectors
Industry Classification:	CPC 0297, 8813, 882, 9649
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
An Act respecting the conservation and development of wildlife, CQLR c C-61.1	
Description:	
The Act respecting the conservation and development of wildlife, and any regulation made thereunder, may provide differing treatments for non-residents of Quebec. A “resident” means a person domiciled in Québec and having resided there for at least 183 days during the year preceding his fishing, hunting or trapping activities or his application for a licence or a certificate.	

10. QUÉBEC

Sector:	Forestry
Sub-Sector:	Forestry and logging products; products of wood; cork; straw and plaiting materials; pulp, paper and paper products; services incidental to forestry and logging
Industry Classification:	CPC 031, 31, 32, 8814

Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

An Act respecting the Ministère des Ressources Naturelles et de la Faune, CQLR, c M-25.2
Sustainable Forest Development Act, CQLR c A-18.1

Description:

All timber harvested in the domain of the State, including biomass volumes, must be completely processed in Québec. However, the Government may, on the conditions it determines, authorize the shipment outside Québec of incompletely processed timber from the domain of the State if it appears to be contrary to the public interest to do otherwise.

The Minister may take measures for the development of lands or forest resources in the domain of the State that are under his or her authority in order to encourage regional development or implement any other related governmental policy.

11. QUÉBEC

Sector:	Alcoholic beverages
Sub-Sector:	Beverages; commission agents' services; wholesale trade services; retail trade services; hotel and other lodging services; food serving services; beverage serving services for consumption on the premises
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107, 641, 642, 643
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access -Services), Article 312 (Market Access-Investment), Article 313 (Performance Requirements)

Measure(s) :

An Act respecting the Société des alcools du Québec, CQLR c S-13
An Act respecting offences relating to alcoholic beverages, CQLR c I-8.1
An Act respecting liquor permits, CQLR c P-9.1

Description:

Québec regulates and authorizes the importation, distribution, supply, transport, sale, trade, and marketing of alcoholic beverages and conducts these activities, including through its provincial monopoly, la Société des alcools du Québec.

12. QUÉBEC

Sector:	Alcoholic beverages

Sub-Sector:	Beverages; commission agents' services; wholesale trade services; retail trade services; hotel and other lodging services; food serving services; beverage serving services for consumption on the premises
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107, 641, 642, 643
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access-Services), Article 312 (Market Access-Investment), Article 313 (Performance Requirements)

Measure(s)

An Act respecting the Société des alcools du Québec, CQLR c S-13

An Act respecting offences relating to alcoholic beverages, CQLR c I-8.1

An Act respecting liquor permits, CQLR c P-9.1

Description:

Obtaining a permit is mandatory to conduct any commercial activities pertaining to alcoholic beverages, including production and sale.

For some categories of alcoholic beverages, marketing is carried out by holders of a grocery permit. Holders of a grocery permit must only buy authorized alcoholic beverages including from an authorized distributor or from authorized holder of production permit. Québec may require that products sold by holders of a grocery permit are bottled in Québec.

Without restricting the generality of the foregoing, Québec maintains any measure with respect to:

- Limiting to certain places, the sale and the distribution of some categories of alcoholic beverages; for example, in farmer’s markets or on production sites.
- Limiting the sales of alcoholic beverages produced or bottled by holders of a distiller’s permit to la Société des alcools du Québec, unless they ship such products outside Québec.

No person may be a member of the board of directors unless he or she is domiciled in Québec.

13. QUÉBEC

Sector:	Chemical products
Sub-Sector:	Powders and explosives; fireworks; flammable materials
Industry Classification:	CPC 3544, 3545, 3546, 3549, 71239
Type of Exception:	Article 301 (Right of Entry and Exit)

Measure(s):

An Act respecting explosives, CQLR c E-22

Description:
Quebec determines conditions for use, sale, transport, delivery, preservation and destruction of explosives.

14. QUÉBEC

Sector:	Social services
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
Description:	
Québec reserves the right to maintain a measure with respect to the provision of social services not otherwise covered by Article 805 (Social Services).	

15. QUÉBEC

Sector:	Energy
Sub-Sector:	Electricity and all services
Industry Classification:	CPC 171, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
An Act respecting the Régie de l'énergie, CQLR c R-6.01 *Hydro-Québec Act,* CQLR c H-5	
Description:	
Québec (including through the *Régie de l'énergie* and *Hydro-Québec*) may fix, determine, and modify rates, tariffs, prices, and other conditions relating to the production, purchase, transmission, supply, distribution, and sale of electric power. Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, the imposition of performance requirements or discrimination	

in favour of residents of Québec or entities established under the laws of Canada or a province or territory thereof and having a place of business or substantive business operations within Québec.

16. QUÉBEC

Sector:	Energy
Sub-Sector:	Electricity and all services
Industry Classification:	CPC 171, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

An Act respecting the exportation of electric power, CQLR c E-23

An Act respecting the Régie de l'énergie, CQLR c R-6.01

Description:

Hydro-Québec, municipal electric power systems, the *Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville*, and private electric power systems are holders of exclusive electric power distribution rights.

The exportation of electric power from Québec is prohibited. The Gouvernement du Québec may nevertheless authorize, by order, on the conditions and in the cases it determines, any contract for the exportation of electric power from Québec.

Contracts relating to the exportation of electric power by Hydro-Québec, including wheeling under a transportation service agreement, must be submitted to the Government for authorization in the cases determined by the Government and are subject to the conditions the Government may then determine.

17. QUÉBEC

Sector:	Travel agency, tour operator and tourist guide services
Sub-Sector:	Travel agency and tour operator services
Industry Classification:	CPC 7471
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

Travel Agents Act, CQLR c A-10

Description:

A natural person applying for a travel agent licence on his or her own account must establish and maintain a principal establishment in Québec. The association, partnership or person on whose behalf the licence is applied for must establish and maintain a principal establishment in Québec. A principal establishment is an establishment in which the operations of the licensee are principally performed.

18. QUÉBEC

Sector:	All Sectors
Sub-Sector:	
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

An Act respecting the collection of certain debts, CQLR c R-2.2
Consumer protection Act, CQLR c P-40.1
Civil protection Act, CQLR c S-2.3
Private security Act, CQLR c S-3.5

Description:

Québec requires that applicants and holders of a permit or a certificate of compliance must have an establishment in its territory in order to allow supervisory authorities to monitor the activities of licensees and to exercise their powers of sanction. Such establishment may need to be situated in an immovable or part of an immovable in which the holder carries on business.

19. QUÉBEC

Sector:	Government Finance
Sub-Sector:	Securities
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

Financial administration Act, CQLR c A-6.001, a. 73
Regulation respecting savings products, CQLR c A-6.001, r. 9

Description:

Residency requirements may be imposed in relation to the acquisition, sale or other disposition of saving products pursuant to Section II of Chapter VII of the Financial administration Act.

Schedule of Nova Scotia

Annex I

1. NOVA SCOTIA

Sector:	Transport
Sub-Sector:	Interurban motor bus transport and scheduled services
Industry Classification:	CPC 7121
Type of Exception:	Article 313 (Performance Requirements)
Measure(s):	
Public Utilities Act, RSNS 1989, c 380	
Description:	
Licensing of new entrants to this service is subject to public convenience and needs tests that includes: the examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service; and the fitness, willingness, and ability of the applicant to provide proper service. Performance requirements may be imposed.	

2. NOVA SCOTIA

Sector:	Credit and collection services
Sub-Sector:	Credit reporting and collection agency services; consumer reporting agencies
Industry Classification:	CPC 87901, 87902, 87909
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access - Services), Article 312 (Market Access - Investments)
Measure(s):	
Consumer Creditors' Conduct Act, RSNS 1989, c 91 *Consumer Protection Act*, RSNS 1989, c 92 *Consumer Reporting Act*, RSNS 1989, c 93 *Consumer Services Act*, RSNS 1989, c 94 *Direct Sellers' Regulation Act*, RSNS 1989, c 129	
Description:	

Whether as an individual or partnership, an applicant for registration as a consumer reporting agency must be lawfully admitted to Canada and ordinarily resident. A corporate applicant must be incorporated in Canada and registered to do business in Nova Scotia. A consumer reporting agency, whether an individual, partnership, or corporation, shall operate from the fixed place of business in Nova Scotia that shall be open to the public during normal business hours.

Credit reporting and collection agency services must be supplied through a commercial presence. A licence application requires an address for service in Nova Scotia with direct sellers maintaining a permanent place of business in Nova Scotia.

3. NOVA SCOTIA

Sector:	Alcoholic beverages
Sub-Sector	Commission agents' services; wholesale trade services; retailing services (liquor, spirits, wine, and beer, and other alcoholic beverages, liquor, wine, beer and other alcoholic beverages stores); transportation services; manufacture of alcoholic beverages.
Industry Classification:	CPC 24, 62112, 62226, 63107, 643, 7123, 751, 88411
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investments), Article 313 (Performance Requirements)

Measure(s):

Liquor Control Act, RSNS 1989, c 260

Description:

The above measure allows the Government of Nova Scotia, through the monopoly of the Nova Scotia Liquor Corporation, to regulate and issue various authorizations relating to the movement, purchase, importation, possession, delivery, transportation and sale of liquor and merchandise.

Without limiting the generality of the foregoing, this measure may involve discretionary decisions based on various factors, limitations on market access, imposition of performance requirements, discrimination or right of entry and exit on services, investments, and goods produced in Nova Scotia in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia.

The exception against the Right of Entry and Exit obligation (Article 301.2) does not apply to wine sold directly, and dispatched, through postal or courier services, from a winery producing wine in a Province to the final consumer for his or her personal consumption. Wines that are eligible under this paragraph must at least have 85% of the wine content in the bottle derived from fruits or other agricultural products grown in the Province in which the winery that produced the wine is located and the remaining content in the bottle derived from fruits or other agricultural products grown within Canada.

4. NOVA SCOTIA

Sector:	Mining
Sub-Sector:	Mining; quarrying; and oil well industries
Industry Classification:	CPC 11 to 16, 883
Type of Exception:	Article 313 (Performance Requirements)
Measure(s):	
Mineral Resources Act, SNS 1990, c 18	
Description:	
Differential royalties apply for mine output extracted in Nova Scotia and then processed outside the province.	

5. NOVA SCOTIA

Sector:	Energy
Sub-Sector:	Crude oil and natural gas
Industry Classification:	CPC 120, 7422, 8675, 883, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access - Services (CPC 7422 only)), Article 312 (Market Access - Investments (CPC 7422 only)), Article 313 (Performance Requirements)
Measure(s):	
Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act, SNS 1987, c 3 *Crown Lands Act*, RSNS 1989, c 114 *Gas Distribution Act*, SNS 1997, c 4 *Offshore Petroleum Royalty Act*, SNS 1987, c 9 *Petroleum Resources Act*, RSNS 1989, c 342 *Petroleum Resources Removal Permit Act*, SNS 1999, c 7 *Pipeline Act,* RSNS 1989, c 345 *Public Utilities Act*, RSNS 1989, c 380	
Description:	
The Government of Nova Scotia regulates and issues various authorizations relating to the exploration, production, extraction, processing, development, and the granting of exclusive rights	

to operate hydrocarbon distribution systems and storage facilities, including related hydrocarbon pipelines, marine distribution, and transshipment facilities.

The granting of authorizations may involve discretionary decisions based on various factors, limitations on market access, imposition of performance requirements or discrimination in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia.

6. NOVA SCOTIA

Sector:	Fisheries
Sub-Sector:	Fish and other fishing products; prepared and preserved fish; wholesale trade services of fisheries products; services incidental to fishing
Industry Classification:	CPC 04, 212, 62224, 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Fisheries and Coastal Resources Act, SNS 1996, c 25

Fish Harvester Organizations Support Act, SNS 2011, c 36

Description:

The above measures allow the Government of Nova Scotia to regulate and issue various authorizations relating to the licensing, production, processing, or marketing (including buying and selling) of fish and fish products within Nova Scotia, including the transfer, delivery, or transmission of marine fish or fish products by fish harvesters, aquaculturalists and subsequent purchasers.

Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination on services, investments and goods produced in Nova Scotia in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia.

7. NOVA SCOTIA

Sector:	Agriculture

Sub-Sector:	Products of agriculture; forestry and fishing; wholesale trade services of agriculture raw materials and live animals; services incidental to agriculture, hunting and forestry; services incidental to fishing
Industry Classification:	CPC 01, 021, 029, 04, 21, 22, 239, 881 (excluding rental of agricultural equipment with operator and CPC 8814), 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Natural Products Act, RSNS 1989, c 308

Dairy Industry Act, SNS 2000, c 24

Agriculture and Rural Credit Act, RSNS 1989, c 7

Agriculture and Marketing Act, RSNS 1989, c 6

Description:

The above measures allow the Government of Nova Scotia to regulate and issue various authorizations relating to the movement, production, and marketing of agricultural and food goods, and fish and fish products within Nova Scotia, including measures related to the supply management of dairy, eggs and poultry products. The exception against Right of Entry and Exit obligation (Article 301.2) is limited to fish and fish products.

Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination on services, investments and goods produced in Nova Scotia in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia.

8. NOVA SCOTIA

Sector:	Energy
Sub-Sector:	Electricity and services incidental to energy distribution
Industry Classification:	CPC 17, 887
Type of Exception:	Article 201 **(**Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Crown Lands Act, RSNS 1989, c 114 *Electricity Act*, SNS 2004, c 25 *Nova Scotia Power Privatization Act*, SNS 1992, c 8 *Nova Scotia Power Reorganization (1998) Act*, SNS 1998, c 19 *Public Utilities Act*, RSNS 1989, c 380 *Renewable Electricity Regulations*, OIC 2010-381 (October 12, 2010), NS Reg 155/2010
Description:
The above measures, among other things, permit the Government of Nova Scotia to: ● regulate and issue various authorizations relating to the production, development, operation, and maintenance of generation, transmission (including system control), distribution, delivery, importation, exportation, and supply of electricity, including electricity generated by renewable energy sources; ● provide for the granting of lands or waters within Nova Scotia for any good, source or force of energy from which it is possible to produce electricity, including the installation of wind turbines and hydroelectric developments; and ● set and modify electricity rates, including feed-in tariffs. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, or discrimination in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia. For greater certainty, this exception is not intended to extend to any obligation that the Government of Nova Scotia may have under Article 309 or Section 2 of Annex 309. In the event of any inconsistency between this exception and Article 309 or Section 2 of Annex 309, the applicable provisions of Article 309 or Section 2 of Annex 309, as the case may be, shall prevail to the extent of the inconsistency.

9. NOVA SCOTIA

Sector:	Agricultural, Recreational, cultural and sporting services
Sub-Sector:	Service incidental to hunting; own-account hunting
Industry Classification:	CPC 8813, 96419
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Wildlife Act, RSNS 1989, c 504	
Description:	
Only Nova Scotia residents are eligible to receive a fur harvesters' licence.	

10. NOVA SCOTIA

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, B, D, E, F
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investments), Article 313 (Performance Requirements)

Measure(s):

Cannabis Control Act, SNS 2018, c 3

Description:

The above measure allows the Government of Nova Scotia, through the monopoly of the Nova Scotia Liquor Corporation, or a person authorized by or under the regulations to sell cannabis, to regulate and issue various authorizations relating to the movement, purchase, importation, possession, delivery, transportation and sale of cannabis.

Without limiting the generality of the foregoing, this measure may involve discretionary decisions based on various factors, limitations on market access, imposition of performance requirements, discrimination or right of entry and exit on services, investments, and goods produced in Nova Scotia in favour of residents of Nova Scotia or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive business activities within Nova Scotia.

There are no import or export restrictions imposed on licensed cannabis producers located in the Province.

Schedule of New Brunswick

Annex I

1. NEW BRUNSWICK

Sector:	Forestry
Sub-Sector:	Agricultural; forest and other wooded land; forestry and logging products
Industry Classification:	CPC 03, 531
Type of Exception:	Article 313 (Performance Requirements)
Measure(s):	
Crown Lands and Forest Act, SNB 1980, c C-38.1	
Description:	
Subject to certain exceptions every licence or permit authorizing the cutting of Crown timber shall be granted on condition that all timber cut thereunder must be processed in New Brunswick into lumber, pulp or other wood products.	

2. NEW BRUNSWICK

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); beverages
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
Liquor Control Act, RSNB 1990, c L-10	
Description:	
The New Brunswick Liquor Corporation sets, at its discretion, performance requirements that must be met or exceeded in order for the importation, distribution and retail relationship to continue with any given supplier be they domestic or international. The New Brunswick Liquor Corporation reserves the right to preferentially promote and market locally produced alcoholic beverage products.	

3. NEW BRUNSWICK

Sector:	Mining
Sub-Sector:	Mining; quarrying and oil well industries
Industry Classification:	CPC 11 to 16
Type of Exception:	Article 313 (Performance Requirements)
Measure(s):	
Mining Act, SNB 1985, c M-14.1	
Description:	
When required to do so by the Minister at the time a mining lease is granted or at any time thereafter, a lessee shall process or further process in New Brunswick any minerals mined in the province under the mining lease.	

4. NEW BRUNSWICK

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit – As it applies to the final paragraph)
Measure(s):	
Cannabis Management Corporation Act, SNB 2018, c 3	
Description:	
The above measure allows the Government of New Brunswick, through the Cannabis Management Corporation, or a person authorized by or under the regulations to sell cannabis, to regulate and issue various authorizations relating to the movement, purchase, importation, possession, delivery, transportation and sale of Cannabis. The Cannabis Management Corporation reserves the right to preferentially promote and market locally produced cannabis products. These measures require that consumers in the Province purchase cannabis and cannabis products only through retailers authorized by the Cannabis Management Corporation. For further certainty, there are no import or export restrictions imposed on licensed cannabis producers.	

Schedule of Manitoba

Annex I

1. MANITOBA

Sector:	Agriculture
Sub-Sector:	Products of agriculture; live animals and animal products; meats and dairy products; other food products n.e.c.; services incidental to agriculture
Industry Classification:	CPC 01, 02, 21, 22, 239, 8811 (other than rental of agriculture equipment with operator)
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

The Farm Products Marketing Act, CCSM c F47

Dairy Farmers of Manitoba Marketing Plan Regulation, Man Reg 89/2004

Manitoba Egg and Pullet Producers Marketing Plan Regulation, Man Reg 70/2005

Manitoba Chicken Broiler Producers Marketing Plan Regulation, Man Reg 246/2004

Manitoba Turkey Producers Marketing Plan Regulation, Man Reg 38/2004

Manitoba Vegetable Producers Marketing Plan Regulation, Man Reg 117/2009

Description:

The boards and commissions under the above measures may afford preferences to permanent residents of Manitoba when considering applications to fix and allot quotas, or requests to sell, lease, license or otherwise assign quotas.

2. MANITOBA

Sector:	Energy
Sub-Sector:	Electrical power
Industry Classification:	CPC 17, 887
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

The Manitoba Hydro Act, CCSM c H190

The Public Utilities Board Act, CCSM c P280

The Water Power Act, CCSM c W60

The Environment Act, CCSM c E125 *The Crown Corporations Public Review and Accountability Act,* CCSM c C336
Description:
1. The above measures, among other things, permit Manitoba or Manitoba Hydro to: (a) regulate, and issue various licences, authorizations or approvals relating to the generation, transmission, distribution, importation, exportation and supply and sale of electricity, if generated from renewable energy sources or from other goods, forces or sources from which it is possible to generate electricity; (b) regulate the development, construction or maintenance of power plants, generating stations, substations, transmission lines, transmission towers and other facilities or structures or equipment required in connection with any of the activities set out in paragraph (a), including the granting of rights over hydraulic resources on lands of public domain requested for the generation of electricity; and 2. Without limiting the generality of the foregoing, these measures may involve discrimination in favour of Manitoba residents or entities formed in accordance with the laws of Canada or a Province and having a place of business in Manitoba.

3. MANITOBA

Sector:	Fisheries
Sub-Sector:	Services incidental to fishing; wholesale trade services
Industry Classification:	CPC 04, 882, 62224
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measure(s):
The Fisheries Act, CCSM c F90 *Fishing Licensing Regulation*, Man Reg 124/97 Policy respecting the allocation of commercial fishing licences
Description:
The minister has full discretion to issue commercial fishing licences and to place terms and conditions on the licences. The current policy specifies that commercial fishing licences are to be allocated, re-allocated, and renewed according to the value of the benefits generated, in order of priority, to: (1) local; (2) regional; and (3) provincial economies.

4. MANITOBA

Sector:	Forestry
Sub-Sector:	Forestry and logging products; services incidental to manufacturing
Industry Classification:	CPC 0311, 0312, 8843
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

The Forest Act, CCSM c F150

Forest Use and Management Regulation, Man Reg 227/88R

Description:

The minister is responsible for regulating and administering all forestry matters, and has the discretion to make grants or issue permits or licences to a person, subject to such terms and conditions as the minister considers advisable. Timber cutting rights must be granted in a way that the minister believes secures the maximum benefit for Manitoba's forest industry. Manitoba residents may be given preference if such grants are made or permits or licences are issued.

5. MANITOBA

Sector:	Hunting
Sub-Sector:	Services incidental to hunting; hunting, fishing and trapping industries; tourist guide agencies; own-account hunting
Industry Classification:	CPC 7472, 8813, 96419
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Measure(s):

The Wildlife Act, CCSM c W130

Allocation of Hunting Licences Regulation, Man Reg 77/2006

Captive Wild Animal Regulation, Man Reg 23/98

Exotic Wildlife Regulation, Man Reg 78/99

General Hunting Regulation, Man Reg 351/87

Hunting Dogs Regulation, Man Reg 79/95

Hunting Seasons and Bag Limits Regulation, Man Reg 165/91

Miscellaneous Licences and Permits Regulation, Man Reg 53/2007

Trapping Areas and Zones Regulation, Man Reg 149/2001

Trapping of Wild Animals Regulation, Man Reg 245/90 *Hunting Guides Regulation,* Man Reg 110/93 *Manitoba Trapping Guide* 2016/2017 *The Resource Tourism Operators Act,* CCSM c R119.5 *Resource Tourism Operators Regulation*, Man Reg 28/2004
Description:
The minister, or the administrator appointed by the minister, as the case may be, has the discretion to issue permits or licences to a person, subject to such terms and conditions as the minister, or the administrator, as the case may be considers advisable. The Regulations may prescribe preferential access to permits and licences, and in the case of *The Wildlife Act,* preferential conditions on such permits and licences, for Manitoba residents.

Schedule of British Columbia

Annex I

1. BRITISH COLUMBIA

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

Type of Exception: Article 201 (Non-Discrimination)

Measure(s):

Cooperative Association Act, SBC 1999, c 28

Description:

Under the *Cooperative Association Act*, at least one director of an association incorporated under the Act must be resident in British Columbia.

2. BRITISH COLUMBIA

Sector:	Forestry
Sub-Sector:	Forestry and logging products
Industry Classification:	CPC 03

Type of Exception: Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Forest Act, RSBC 1996, c 157

Description:

All timber harvested from provincial land must be either used in British Columbia or manufactured in British Columbia into other goods. However, British Columbia may authorize an exemption to this requirement if the timber is surplus to the requirements of processing facilities in British Columbia, if the timber cannot be processed economically near the harvesting area and cannot be transported economically to another facility in British Columbia, or if an exemption would prevent waste or improve the utilization of wood.

3. BRITISH COLUMBIA

Sector:	Forestry
Sub-Sector:	Forestry and logging; services incidental to manufacturing; woodlot licences
Industry Classification:	CPC 03, 8814
Type of Exception:	Article 312 (Market Access – Investment)
Measure(s):	
Forest Act, RSBC 1996, c 157	
Description:	

1. Proximity of private residence from the proposed woodlot licence, and distance and size of private land to be included in the proposed woodlot are two of the criteria used to award a licence.
2. Only the following entities may enter into a community forest Agreement (which may be directly awarded):
   (a) a society incorporated under the *Society Act*, RSBC 1996, c 433;
   (b) an association as defined in the *Cooperative Association Act*, SBC 1999, c 28;
   (c) a corporation, if the corporation is established by or under an enactment, or registered as an extra provincial company under the *Business Corporations Act*, SBC 2002, c 57;
   (d) a partnership, if the partnership is comprised of municipalities or regional districts, societies, associations, companies or extra provincial companies, or a combination of the foregoing; or
   (e) a municipality or regional district.

4. BRITISH COLUMBIA

Sector:	Forestry
Sub-Sector:	Forestry and logging
Industry Classification:	CPC 03
Type of Exception:	Article 201 (Non-Discrimination) (applicable only to paragraph 1 of the Description), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)
Measure(s):	
Forest Act, RSBC 1996, c 157	
Description:	

1. The granting of a community salvage licence is limited to specific groups, including societies and cooperative associations, for purposes such as:
   (a) providing social and economic benefits to British Columbia, including contributing to government revenues;
   (b) providing opportunities for achieving a range of community objectives, including employment and other social, environmental, and economic benefits;
   (c) encouraging cooperation within the community and among stakeholders;
   (d) providing for the use of qualifying timber; and
   (e) other factors that the minister or a person authorized by the minister specifies in the invitation or advertising.
2. Only a limited number of restricted forest licences are granted. The granting of such licences may be subject to performance requirements, including the requirement to own or lease processing facilities in British Columbia.

5. BRITISH COLUMBIA

Sector:	Energy
Sub-Sector:	Electricity; services incidental to energy distribution
Industry Classification:	CPC 171, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

BC Hydro Public Power Legacy and Heritage Contract Act, SBC 2003, c 86

Clean Energy Act, SBC 2010, c 22

Utilities Commission Act, RSBC 1996, c 473

Hydro and Power Authority Act, RSBC 1996, c 212

Description:

In British Columbia, electric utilities operate as regulated monopoly distributors of electricity within the area they service.

British Columbia Hydro and Power Authority (“BC Hydro”) is a Crown corporation that owns most of the generation, transmission, and distribution facilities in British Columbia. BC Hydro receives differential treatment under provincial law and is exempted from BC Utilities Commission review in some instances. BC Hydro is prohibited from disposing of (including by way of sale) any of its heritage assets, unless they are no longer used or useful.

Subject to direction from the Lieutenant Governor in Council, rates for the sale of electricity within British Columbia are regulated by the BC Utilities Commission.

6. BRITISH COLUMBIA

Sector:	Alcoholic Beverages
Sub-Sector:	Beverages; wholesale liquor; wine and beer stores; retailing services
Industry Classification:	CPC 24 (other than 244) , 62112, 62226, 63107
Type of Exception:	Article 201 (Non-Discrimination) (applicable only to paragraph 2 of the Description), Article 301 (Right of Entry and Exit)

Measure(s):

Liquor Control and Licensing Act, SBC 2015, c 19

Liquor Distribution Act, RSBC 1996, c 268

Description:

1. The above measures allow British Columbia to regulate and authorize the importation, purchase, production, distribution, supply, marketing, and sale of alcoholic beverages and to conduct these activities, including through provincial monopolies
2. British Columbia may maintain measures requiring private wine store outlets (in existence on October 4, 1987) to discriminate in favour of wine of British Columbia to a degree no greater than the discrimination required by such measures as they existed on October 4, 1987. British Columbia may maintain a measure limiting on-premise sales by a producer of beverage alcohol products to those beverage alcohol products produced on its premises.

7. BRITISH COLUMBIA

Sector:	Energy
Sub-Sector:	Services incidental to energy distribution
Industry Classification:	CPC 887
Type of Exception:	Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services)

Measure(s):

Utilities Commission Act, RSBC 1996, c 473

Description:

British Columbia Hydro and Power Authority (“BC Hydro”) is a Crown corporation that owns most of the generation, transmission, and distribution facilities in British Columbia. Line 71 is a 230 kV transmission line running from the Waneta Hydro Station to the Nelway substation and to the BC/US international border where it interconnects with the transmission system of Bonneville Power Administration. By way of an existing commercial agreement with Teck Metals Ltd. ownership of Line 71 will transfer to BC Hydro in the future and BC Hydro accords to Teck Metals Ltd. preferential access to and use of Line 71.

8. BRITISH COLUMBIA

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 201 (Non-Discrimination) (applicable only to paragraph 2 of the Description), Article 301 (Right of Entry and Exit)

Measure(s):

Cannabis Distribution Act, SBC 2018, c 28

Cannabis Control and Licensing Act, SBC 2018, c 29

Description:

1. The above measures allow British Columbia to regulate and authorize the importation, exportation, purchase, distribution, supply, marketing, and sale of cannabis and to conduct these activities, including through provincial monopolies.

2. Federal producers and federal producers' agents are prohibited from holding retail licences.

Schedule of Prince Edward Island

Annex I

1. PRINCE EDWARD ISLAND

Sector:	Business Services
Sub-Sector:	Architectural services
Industry Classification:	CPC 8671
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Architects Act, RSPEI 1988, c A-18.1 Architects Association of Prince Edward Island Bylaws	
Description:	
A non-resident enterprise applying for a certificate of practice to practice architecture in Prince Edward Island shall have at least two thirds of the partners, principals or directors of the enterprise be architects and not less than the majority of issued shares of each class of voting shares of the enterprise are beneficially owned by and registered in the name of architects.	

2. PRINCE EDWARD ISLAND

Sector:	Distribution Services
Sub-Sector:	Retail sales of motor fuel
Industry Classification:	CPC 613
Type of Exception:	Article 312 (Market Access – Investment)
Measure(s):	
Petroleum Products Act, RSPEI 1988, c P-5.1	
Description:	
When issuing a licence for the operation of an outlet by a retailer, the Island Regulatory and Appeals Commission shall consider the public interest, convenience and necessity by applying such criteria as the Commission considers advisable.	

3. PRINCE EDWARD ISLAND

Sector:	All Sectors

Sub-Sector:	All sub-sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 312 (Market Access – Investment)

Measure(s):

Prince Edward Island Lands Protection Act, RSPEI 1988, c L-5, Land Identification Regulations, Shore Frontage Regulations, Exemption Regulations, and Forms Regulations

Description:

1. Non-resident persons must make application to acquire more than five acres of land or land having a shore frontage of more than 165 feet and receive permission from the Lieutenant Governor in Council. Shore frontage includes land adjacent to oceans, rivers, lakes, ponds, and swamps.
2. The Government of Prince Edward Island issues permits to non-resident persons under the Act and may impose more onerous conditions including that the land be identified under the land identification program for agricultural use or non-development use.
3. Only residents of Prince Edward Island are eligible for a property tax rebate on non-commercial real property.

4. PRINCE EDWARD ISLAND

Sector:	Business Services
Sub-Sector:	Consumer credit reporting
Industry Classification:	CPC 87901
Type of Exception:	Article 201 (Non-discrimination), Article 307 (Market Access – Services)

Measure(s):

Consumer Reporting Act, RSPEI 1988, c C-20

Description:

Every consumer reporting agency registered under the Act shall operate from a fixed place of business in Prince Edward Island.

5. PRINCE EDWARD ISLAND

Sector:	Agriculture

Sub-Sector:	Products of agriculture; live animals and animal products, meats, dairy products, food products
Industry Classification:	CPC 01, 02, 21, 22, 239, 6221, 62112
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Natural Products Marketing Act, RSPEI 1988, c N-3
Agricultural Products Standards Act, RSPEI 1988, c A-9
Dairy Producers Act, RSPEI 1988, c D-2
Agricultural Insurance Act, RSPEI 1988, c A-8.2
Animal Health and Protection Act, RSPEI 1988, c A-11.1
Grain Elevators Corporation Act, RSPEI 1988, c G-5
Plant Health Act, RSPEI 1988, c P-9.1
Animal Welfare Act, SPEI 2015 (unproclaimed)

Description:

1. These measures allow Prince Edward Island to regulate and issue authorizations on marketing matters, including the buying, selling, packing, grading, storing, processing, shipping for sale or storage, promoting, researching and offering for sale of food and fish products including poultry, eggs, dairy, hogs, cattle, potatoes, and turkeys. This includes the production and transport required to carry out the objects of these Acts. The exception against right of entry and exit is limited to fish and aquaculture products.
2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination in favour of residents of Prince Edward Island or entities established in accordance with the laws of Canada or Prince Edward Island and having a place of business and substantive business operations within Prince Edward Island.

6. PRINCE EDWARD ISLAND

Sector:	Fisheries and Aquaculture
Sub-Sector:	Wholesale trade of fishery products; services incidental to fishing
Industry Classification:	CPC 04, 62224, 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Fisheries Act, RSPEI 1988, c F-13.01
Fish Inspection Act, RSPEI 1988, c F-13
Certified Fisheries Organizations Support Act, RSPEI 1988, c C-2.1
Natural Products Marketing Act, RSPEI 1988, c N-3
Plant Health Act, RSPEI 1988, c P-9.1

Description:

1. These measures allow Prince Edward Island to regulate and issue authorizations on a matter relating to resources and products of the fishery including maintenance and development of the resources of the fishery, fish buying, and any other matter or thing in order to give full effect to the objects of these Acts.
2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination in favour of residents of Prince Edward Island or entities established in accordance with the laws of Canada or Prince Edward Island which have a place of business and substantive business operations within Prince Edward Island.

7. PRINCE EDWARD ISLAND

Sector:	Energy
Sub-Sector:	Electricity, oil and natural gas, services incidental to energy distribution
Industry Classification:	CPC 17, 120, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Energy Corporation Act, RSPEI 1988, c E-7
Renewable Energy Act, RSPEI 1988, c R-12.1
Oil and Natural Gas Act, RSPEI 1988, c O-5
Electric Power Act, RSPEI 1988, c E-4

Description:

1. These measures allow Prince Edward Island to regulate and issue authorizations on a matter relating to energy and energy systems, oil and natural gas, and renewable energy sources, including the generation, accumulation, transmission, distribution, supply, purchase, utilization, and disposal of energy; the drilling of wells and the production and conservation of oil and natural gas; and generally for carrying out any of the purposes or provisions of these Acts.
2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination in favour of residents of Prince Edward Island or entities established in

accordance with the laws of Canada or Prince Edward Island and having a place of business and substantive business operations within Prince Edward Island.

8. PRINCE EDWARD ISLAND

Sector:	Agriculture, Forestry and Fisheries Products
Sub-Sector:	Forestry and logging products
Industry Classification:	CPC 03
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Forest Management Act, RSPEI 1988, c F-14

Public Forest Council Act, RSPEI 1988, c P-29.1

Description:

1. These measures allow Prince Edward Island to regulate and issue authorizations on a matter relating to forest products, including the conservation, protection, harvesting, extraction, and sale of forest products; issuing of licences and certification of forest producers; importation of plants or plant materials; fees and other charges; and generally for carrying out the provisions of the Acts.
2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination in favour of residents of Prince Edward Island or entities established in accordance with the laws of Canada or Prince Edward Island and having a place of business and substantive business operations within Prince Edward Island.

9. PRINCE EDWARD ISLAND

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services, wholesale trade service, retailing services (liquor, wine and beer, liquor wine and beer stores) manufacture of alcoholic beverages
Industry Classification:	CPC 24, 62112, 62226, 63107
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 313 (Performance Requirements)

Measure(s):

Liquor Control Act, RSPEI 1988, c L-14
Description:
1. The Prince Edward Island Liquor Control Commission (“PEILCC”) is a Government of Prince Edward Island Crown agency that is the sole importer and controls the purchase, distribution, and sale of alcoholic beverages in Prince Edward Island. The PEILCC operates warehouse and office facilities, and a Licensee Distribution Centre. The PEILCC supplies and administers the operations of retail liquor stores and the Licensee Distribution Centre. 2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors, imposition of performance requirements, right of entry and exit, or discrimination in favour of residents of Prince Edward Island or entities established in accordance with the laws of Canada or Prince Edward Island and having a place of business and substantive business operations within Prince Edward Island.

10. PRINCE EDWARD ISLAND

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis
Industry Classification:	A, D, E
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit) (*with respect to paragraph 3 of the Description*)

Measure(s):
Cannabis Management Corporation Act, R.S.P.E.I. 1988, C-1.3
Description:
1. The measures listed provides the Prince Edward Island Cannabis Management Corporation the authority to buy, import and sell cannabis; control the possession, sale and delivery of cannabis; establish, maintain and operate cannabis stores. 2. The PEI Cannabis Management Corporation reserves the right to preferentially promote and market locally produced cannabis products. 3. These measures also require that consumers in the Province purchase cannabis and cannabis products only through the Prince Edward Island Cannabis Management Corporation. There are no import or export restrictions imposed on licensed cannabis producers.

Schedule of Saskatchewan

Annex I

1. SASKATCHEWAN	
Sector:	Fisheries
Sub-Sector:	Services incidental to fishing
Industry Classification:	CPC 882
Type of Exception:	Article 201 (Non-Discrimination), Article 312 (Market Access – Investment)
Measure(s):	
The Fisheries Act (Saskatchewan), 1994, SS 1994, c F-16.1 *The Fisheries Regulations*, c F-16.1 Reg 1 Commercial Fishing Licensee Eligibility Requirements (Policy Number 3420.02) Commercial Fishing Co-operatives (Policy Number F & W 2003.2) Commercial Net Fishing Licence Eligibility Requirements Guidelines	
Description:	
Only a Saskatchewan resident is eligible to obtain a commercial fishing licence. Licences may be restricted to residents of the region of a local fishery.	

2. SASKATCHEWAN	
Sector:	Tourism
Sub-Sector:	Services incidental to hunting; services incidental to fishing; tourist guide agencies; own-account hunting
Industry Classification:	CPC 7472, 8813, 8820, 96419
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
The Wildlife Act, 1998, SS 1998, c W-13.12 *The Wildlife Regulations, 1981*, RRS c W-13.12 Reg 1 *The Outfitter and Guide Regulations, 2004*, RRS c N-3.1 Reg 3	
Description:	
Any person who wishes to hold an outfitter’s licence must be a Saskatchewan resident and have a head office in Saskatchewan.	

3. SASKATCHEWAN

Sector:	Real Estate
Sub-Sector:	Real estate services involving owned or leased property; real estate services on a fee or contract basis
Industry Classification:	CPC 8210, 822
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
The Real Estate Act, SS 1995, c R-1.3 The Real Estate Commission policies and bylaws	
Description:	
Every brokerage and person named in a certificate of registration as a brokerage must have an office in Saskatchewan and is required to maintain trust accounts in a financial institution in Saskatchewan for the deposit of all money received in connection with trades in real estate.	

4. SASKATCHEWAN

Sector:	Tourism
Sub-Sector:	Services incidental to hunting; tourist guide agencies; own-account hunting
Industry Classification:	CPC 7472, 8813, 96419
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
The Wildlife Act, 1998, SS 1998, c W-13.12 *The Wildlife Regulations, 1981*, RRS c W-13.12 Reg 1	
Description:	
A fur licence holder must be a Saskatchewan resident. A Saskatchewan resident is a Canadian resident who has a principal residence in Saskatchewan and has resided in the province for the three months preceding the date of the application for a licence.	

5. SASKATCHEWAN

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

The Co-operatives Act, 1996, SS 1996, c C-37.3
Private Acts of the Legislature of Saskatchewan establishing corporate bodies
Practice and Policy of the Registrar of Co-operatives

Description:

A co-operative must have a registered office in Saskatchewan.

Membership may be limited to Canadians resident in Saskatchewan.

There must be at least five Directors and the majority of Directors must be Canadian residents. Directors are appointed from amongst the membership of the co-operative.

The registrar may restrict the businesses in which a co-operative may engage in the province.

6. SASKATCHEWAN

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)

Measure(s):

The Non-profit Corporations Act, 1995, SS 1995, c N-4.2
Private Acts of the Legislature of Saskatchewan establishing corporate bodies

Description:

At least one director of a corporation must reside in Saskatchewan.

7. SASKATCHEWAN

Sector:	Alcoholic Beverages
Sub-Sector:	Beverages; mail transport
Industry Classification:	CPC 24, 71235, 73210
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
The Alcohol Control Regulations, 2016, RRS c A-18.011 Reg 7	
Description:	
Saskatchewan reserves the right to adopt or maintain any measure to provide for direct-to-consumer sales with other Parties on a reciprocal basis.	

Schedule of Alberta

Annex I

1. ALBERTA

Sector:	Alcoholic Beverages
Sub-Sector:	Beverages; commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); manufacture of food and beverages, on a fee or contract basis
Industry Classification:	CPC 24 (other than 244), 62112, 62226, 63107, 643, 88411
Type of Exception:	Article 301 (Right of Entry and Exit)
Measure(s):	
Gaming and Liquor Act, RSA 2000, c G-1 *Gaming and Liquor Regulation*, Alta Reg 143/96 Alberta Gaming and Liquor Commission Board Policies	
Description:	
The above measures permit Alberta to control the manufacture, import, sale, purchase, possession, storage, transportation, use and consumption of liquor, including through permits and licences that may include limitations on the establishment, operation and provision of these activities.	

2. ALBERTA

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 301 (Right of Entry and Exit)
Measure(s):	
Gaming, Liquor and Cannabis Act, RSA 2000, c G-1 *Gaming, Liquor and Cannabis Regulation*, Alta Reg 143/96 Alberta Gaming, Liquor and Cannabis Board Policies	
Description:	

The above measures permit Alberta to control the importation, sale, purchase, storage, transportation, possession, use and consumption of cannabis for non-medical purposes, including through permits and licences that may include limitations on the establishment, operation and provision of these activities.

Schedule of Newfoundland and Labrador

Annex I

1. NEWFOUNDLAND AND LABRADOR

Sector:	Energy
Sub-Sector:	Electricity; and services incidental to energy distribution
Industry Classification:	CPC 171, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measures:

Electrical Power Control Act, 1994, SNL 1994, c E-5.1

Energy Corporation Act, SNL 2007, c E-11.01

Energy Corporation of Newfoundland and Labrador Water Rights Act, SNL 2008, c E-11.02

Executive Council Act, SNL 1995, c E-16.1

Hydro Corporation Act, 2007, SNL 2007, c H-17

Lands Act, SNL 1991, c 36

Lower Churchill Development Act, RSNL 1990, c L-27

Muskrat Falls Project Land Use and Expropriation Act, SNL 2012, c M-25

Public Utilities Act, RSNL 1990, c P-47

The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961, SNL 1961, c 51

Water Resources Act, SNL 2002, c W-4.01

Description:

The above measures, *inter alia*, permit the Government of Newfoundland and Labrador to:

1. regulate and issue various authorizations relating to the production, generation, development, transmission (including system control), distribution, delivery, supply, purchase, and export of electricity, and provide for the construction and maintenance of related facilities;
2. provide for the granting of the lands or waters within the domain of the Province for any good, source or force of energy from which it is possible to produce electricity, including to the installation of wind turbines and hydroelectric developments; and
3. set and modify rates for electricity.

Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, imposition of performance requirements and/or discrimination in favour of residents of Newfoundland and Labrador and/or entities established in accordance

with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador.

For greater certainty, this exception is not intended to extend to any obligation that the Government of Newfoundland and Labrador may have under Article 309 or Section 2 of Annex 309. In the event of any inconsistency between this exception and Article 309 or Section 2 of Annex 309, the applicable provisions of Article 309 or Section 2 of Annex 309, as the case may be, shall prevail to the extent of the inconsistency.

2. NEWFOUNDLAND AND LABRADOR

Sector:	Forestry
Sub-Sector:	Wood in the rough; products of wood, cork, straw and plaiting materials; forestry and logging products; pulp, paper and paper products; manufacture of wood and of products of wood and cork, except furniture; and manufacture of articles of straw, and plaiting materials on a fee or contract basis
Industry Classification:	CPC 031, 31, 321, 88430
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services) (for CPC 31 only), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measures:

Forestry Act, RSNL 1990, c F-23

Forest Protection Act, RSNL 1990, c F-22

Plant Protection Act, RSNL 1990, c P-16

Description:

The above measures allow the Government of Newfoundland and Labrador to regulate and issue various authorizations relating to the production, extraction, and development of forestry resources and related products within the Province. Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, limitations on market access, imposition of performance requirements and/or discrimination in favour of residents of Newfoundland and Labrador and/or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador.

3. NEWFOUNDLAND AND LABRADOR

Sector:	Agriculture

Sub-Sector:	
Industry Classification:	CPC 01, 021, 029, 04, 21, 22, 6221, 62224, 881 (except rental of agricultural equipment with operator and 8814), 882
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measures:

Farm Products Corporation Act, RSNL 1990, c F-5

Natural Products Marketing Act, RSNL 1990, c N-2

Poultry and Poultry Products Act, RSNL 1990, c P-18

Description:

The above measures allow the Government of Newfoundland and Labrador to regulate and issue various authorizations relating to the production and marketing of agricultural and food products and the marketing of fish products and wild fur within the Province. Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, the imposition of performance requirements and/or discrimination in favour of residents of Newfoundland and Labrador and/or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador.

4. NEWFOUNDLAND AND LABRADOR

Sector:	Fisheries
Sub-Sector:	Fish and other fishing products; prepared and preserved fish; wholesale trade services of fisheries products; and services incidental to fishing
Industry Classification:	CPC 04, 212, 62224, 882
Type of Exception:	Article 313 (Performance Requirements)

Measures:

Aquaculture Act, RSNL 1990, c A-13

Fisheries Act, SNL 1995, c F-12.1

Fish Inspection Act, RSNL 1990, c F-12

Fishing Industry Collective Bargaining Act, RSNL 1990, c F-18

Fish Processing Licensing Board Act, SNL 2004, c F-12.01

Lands Act, SNL 1991, c 36 *Professional Fish Harvesters Act*, SNL 1996, c P-26.1 *Water Resources Act*, SNL 2002 c W-4.01
Description:
The above measures allow the Government of Newfoundland and Labrador to regulate and issue various authorizations relating to the production, processing, or marketing of fish and aquaculture fish products, including the transfer, delivery, or transmission of marine products by fish harvesters, aquaculturalists and subsequent purchasers. Such measures provide for the imposition of performance requirements in certain circumstances.

5. NEWFOUNDLAND AND LABRADOR

Sector:	Tourism
Sub-Sector:	Services incidental to hunting; tourist guide agencies; and own-account hunting
Industry Classification:	CPC 7472, 8813, 96419
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Measure:
Wild Life Act, RSNL 1990 c W-8
Description:
Non-residents of Newfoundland and Labrador must employ licensed guides while undertaking certain licensed hunting activities within the Province. Non-residents of Newfoundland and Labrador are not permitted to obtain certain types of licences, and are required to obtain non-resident licences to undertake certain fishing activities within the Province.

6. NEWFOUNDLAND AND LABRADOR

Sector:	Transportation
Sub-Sector:	Rail transportation services
Industry Classification:	CPC 711

Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measure:

Rail Service Act, 2009, SNL 2009, c R-1.2

Description:

Any person seeking to purchase, operate, or construct a rail service within Newfoundland and Labrador must first obtain approval from the Government of Newfoundland and Labrador. Such approval may be granted on terms and conditions the Government of Newfoundland and Labrador considers appropriate. Without limiting the generality of the foregoing, any such approval may involve discretionary decisions based on various factors including the imposition of performance requirements.

7. NEWFOUNDLAND AND LABRADOR

Sector:	Transportation
Sub-Sector:	Other land transportation services
Industry Classification:	CPC 712
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measures:

Aquaculture Act, RSNL 1990, c A-13

Fisheries Act, SNL 1995, c F-12.1

Fish Inspection Act, RSNL 1990, c F-12

Liquor Control Act, RSNL 1990, c L-18

Liquor Corporation Act, RSNL 1990, c L-19

Motor Carrier Act, RSN 1990, c M-19

Professional Fish Harvesters Act, SNL 1996, c P-26.1

Description:

Public convenience and needs tests are applied to passenger transportation and to some subsectors of freight transportation within Newfoundland and Labrador. The criteria relating to approval by the Government of Newfoundland and Labrador include the adequacy of current levels of service, market conditions establishing the requirement for the expanded service, the effect of new entrants on public convenience, and the fitness, willingness, and ability of the applicant to provide proper service. Performance requirements may be imposed.

8. NEWFOUNDLAND AND LABRADOR

Sector:	Alcoholic Beverages
Sub-Sector:	Wholesale trade services of beverages; sale on a fee or contract basis of food products, beverages, and tobacco; retail sales of beverages not consumed on the spot; beverage serving services for consumption on the premises; alcoholic beverages; and manufacture of food and beverages on a fee or contract basis
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107, 643, 88411
Type of Exception:	Article 201 (Non-Discrimination) (limited as per Description), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Measures:

Liquor Control Act, RSNL 1990, c L-18
Liquor Corporation Act, RSNL 1990, c L-19

Description:

The above measures permit the Government of Newfoundland and Labrador to regulate and issue various authorizations relating to the production, distribution, supply, sale, and marketing of alcoholic beverages. The Newfoundland Liquor Corporation (the "NLC") operates as a monopoly responsible for the distribution, supply, transport, sale, and marketing of alcoholic beverages. Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, barriers on entry or exit, limitations on market access, and/or the imposition of performance requirements in favour of residents of Newfoundland and Labrador and/or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador. With regard to the application of Article 201 (Non-Discrimination), this exception applies only in respect of the NLC's policies regarding Brewers Agents and access to related retail outlets.

9. NEWFOUNDLAND AND LABRADOR

Sector:	Professional Services
Sub-Sector:	Legal services (notaries)
Industry Classification:	CPC 861
Type of Exception:	Article 201 (Non-Discrimination)

Measures:
Notaries Public Act, RSN 1990 c N-5
Description:
Only a Canadian citizen that is resident of Newfoundland and Labrador is eligible to become a notary public for the Province.

10. NEWFOUNDLAND AND LABRADOR

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis
Industry Classification:	A, D, E
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit) (only with respect to paragraph 3 of the Description)

Measure(s):
Cannabis Control Act, SNL 2018, c C-4.1 *Liquor Corporation Act*, RSNL 1990, c. L-19
Description:
1. The Federal *Cannabis Act* grants to the Provincial Government the ability to regulate the distribution and sale of cannabis and cannabis products within the Province. The *Cannabis Control Act* establishes the statutory framework for the distribution and sale of cannabis and cannabis products within the Province. The *Liquor Corporation Act* gives the Newfoundland and Labrador Liquor Corporation the authority to buy, import and sell cannabis; control the possession, sale and delivery of cannabis; establish, maintain and operate cannabis stores; and issue licences for the possession, sale and delivery of cannabis. 2. Without limiting the generality of the foregoing, these measures may involve discretionary decisions based on various factors and/or discrimination in favour of residents of Newfoundland and Labrador and/or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador. 3. These measures also require that consumers in the Province purchase cannabis and cannabis products only through a retailer licensed in the Province or the Newfoundland and Labrador Liquor Corporation. There are no import or export restrictions imposed on licensed cannabis producers located in the Province.

Schedule of Yukon

Annex I

1. YUKON	
Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
Income Tax Act, RSY 2002, c 118, Division 2, Article 13	
Description:	
Under the *Yukon Income Tax Act*, a Yukon Small Business Investment Tax Credit of 25% of the purchased share amount is offered to Yukon residents who invest in eligible business corporations. Eligible small business corporations must meet certain criteria including maintaining a permanent establishment in Yukon, having at least 50% of assets in Yukon, and paying at least 50% of salaries in Yukon.	

2. YUKON	
Sector:	Real Estate
Sub-Sector:	Real estate services involving own or leased property and real estate services, on a fee or contract basis
Industry Classification:	CPC 821, 822
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Real Estate Agents Act, RSY 2002, c 188, s 5 *Regulations*, YOIC 1977/158, 1981/14, and 1990/136	
Description:	
A real estate agent applicant must be:	

- a resident of Yukon for a period of not less than three months immediately prior to the application date, and
- licensed as a salesman in Yukon for at least one year prior to submitting an application.

3. YUKON

Sector:	Tourism
Sub-Sector:	Wilderness tourism
Industry Classification:	CPC 7472
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Measure(s):

Wilderness Tourism Licensing Act, RSY 2002, c 228, ss 14 and15
Wilderness Tourism Licensing Regulation, YOIC 1999/69

Description:

There are a limited number of licences allocated for the Glacier Bay National Park and Preserve area. Licences allocated to Yukon are distributed with preference given to Yukon residents.

The above measures permit the Government of Yukon to regulate and issue various authorizations relating to wilderness tourism. This may involve, among other things, the making of measures to limit:

- ownership on the basis of residence; and
- market access

4. YUKON

Sector:	Tourism
Sub-Sector:	Services incidental to hunting, trapping, outfitting, and tourist guides
Industry Classification:	CPC 8813, 7472, 96419
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Measure(s):

Wildlife Act, RSY 2002, c 229, ss 59(1), 61(a), 68(2), 104, 123, 111, 112, 189, 192-197, 213, 214, 217, 226, 229, 230-234, and 236
Wildlife Regulations, YOIC 2012/84

Trapping Regulation, YOIC 1983/283 *Parks and Land Certainty Act,* RSY 2002, c 165, ss 6, 8, 37, 43, 47, 48, 49, and 65 *Herschel Island Park Regulation,* YOIC 1990/038
Description:
An applicant for an outfitting concession, trapping concession, or wilderness tourism licence must be a Canadian citizen or a permanent resident who ordinarily resides in Canada. Outfitters must be present in Yukon during the period when a person or persons are hunting in his/ her concession. An outfitting certificate is a yearly authorization which gives permission to the holder to carry on the business of outfitting in a specific outfitting concession. An outfitting certificate is issued to a person who is a holder of the concession, or if requested, to an eligible corporation named by the outfitter. The corporation is then authorized to provide guiding services to hunters. Assistant trapper's licences and trapping concessions are issued to Yukon residents only. The above measures permit the Government of Yukon to regulate and issue various authorizations relating to tourism, including services incidental to hunting, trapping, outfitting, and tourist guides. This may involve, among other things, the making of measures to limit: • ownership on the basis of residence, and • market access.

5. YUKON

Sector:	Agriculture
Sub-Sector:	Agricultural land, forest, and other wooded land
Industry Classification:	CPC 531, 8811 (except rental of equipment with operator), 8812
Type of Exception:	Article 201 (Non-Discrimination)
Measure(s):	
Lands Titles Act, RSY 2015, c 10, s 212 *Lands Act,* RSY 2002, c 132 *Lands Regulation,* YOIC 1983/192 *Lands Act – Regulation to Amend the Lands Regulation,* YOIC 2012/159 *Yukon Agriculture Policy* *Yukon Environmental and Socio-Economic Assessment Act,* SC 2003, c 7	
Description:	
Corporate applicants for agricultural land use must be incorporated in Canada or Yukon. The principal shareholders of a corporate applicant must be Canadian citizens or landed immigrants who have resided continuously in Yukon for one year.	

To be eligible to apply for agricultural land use, a society must be registered in Yukon. The Society's officers must be Canadian citizens or landed immigrants and must have resided continuously in Yukon for one year.

A majority of members of an applicant agricultural association or cooperative must be Yukon residents.

The above measures permit the Government of Yukon to regulate and issue various authorizations relating to agriculture, including agricultural land, forest, and other wooded land. This may involve, among other things, the making of measures to limit ownership on the basis of residence.

6. YUKON

Sector:	Energy
Sub-Sector:	Electrical energy and services incidental to energy distribution
Industry Classification:	CPC 171, 713, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Waters Act, SY 2003, c 19, ss 29(4), 29 (6), 31, 32, 44, and 46

Waters Regulation, YOIC 2003/58

Environment Act, RSY 2002, c 76, ss. 52, 53, 54, 55, 56, 57, 58, 59, 62, 66, 67(2), 68, 69, 70(4), 71(1), 72, 74(1), 74(3), 74(4), 75(1), 86, 87, 90(2), 91, 93, 96(5), 96(9), 107, and Part 12: 140-149

Public Utilities Act, RSY 2002, c 186, ss 17, 21, 22, 35, 42, 43, 51, and 77

Quartz Mining Act, SY 2003, c 14, ss 62, 135(4), 135(5), 135 (6), 149, and 158

Quartz Mining Land Use Regulation YOIC 2003/64

Security Regulation, YOIC 2007/77

Yukon Environmental and Socio-Economic Assessment Act, SC 2003, c 7

Description:

Yukon reserves the right to set or modify electricity rates.

Yukon may make available to Yukon Development Corporation (or a subsidiary or successor corporation) for operational purposes a water power or other facility that is owned by or under the control of Yukon.

The above measures permit the Government of Yukon to regulate and issue various authorizations relating to energy, including electrical energy and services incidental to energy distribution. This may involve, among other things, the making of measures to:

- impose performance requirements; and
- limit ownership on the basis of residence.

7. YUKON

Sector:	Energy
Sub-Sector:	Production, transmission, and distribution of electricity, gas, steam, and hot water; services incidental to energy distribution
Industry Classification:	CPC 17, 713, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Corporate Governance Act, RSY 2002, c 45, s 4
Public Utilities Act, RSY 2002, c 186, ss 17, 21, 22, 35, 42, 43, 51, and 77
Yukon Power Corporation Regulations YOIC 1987/71
Yukon Development Corporation Act, RSY 2002, c 236, ss 6 and 7
Energy Conservation Fund, YOIC 1997/91
Energy Conservation Fund Use Regulation, YOIC 1998/204
Yukon Environmental and Socio-Economic Assessment Act, SC 2003, c 7

Description:

Yukon reserves the right to set or modify electricity rates.

The above measures permit the Government of Yukon to regulate and issue various authorizations relating to energy, including production, transmission, distribution of electricity, gas, steam, and hot water, and services incidental to energy distribution. This may involve, among other things, the making of measures to:

- impose performance requirements, and
- limit ownership on the basis of residence.

8. YUKON

Sector:	Transportation
Sub-Sector:	Transportation via pipeline transportation of fuels; transportation of other goods and services incidental to energy distribution
Industry Classification:	CPC 17, 713, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Public Utilities Act, RSY 2002, c 186, ss 17, 21, 22, 35, 42, 43, 51, and 77 *Yukon Power Corporation Regulations* YOIC 1987/71 *Oil and Gas Act,* RSY 2002, c 162, ss 9, 10, 12, 17, 26, 27, 28, 29, 36, 40, 41, 42, 43, 44, 46, 47, 48, 51, 54, 61, 63, 65, 67, 75, and 76 *Oil and Gas Pipeline Regulations* *Oil and Gas Disposition Regulations* YOIC 1999/147 *Oil and Gas Licence Administration Regulations* YOIC 2004/157 *Oil and Gas Drilling and Production Regulations* YOIC 2004/158 *Oil and Gas Geoscience and Exploration Regulations* YOIC 2004/156 *Oil and Gas Royalty Regulations* YOIC 2008/25 *Yukon Environmental and Socio-Economic Assessment Act,* SC 2003, c 7
Description:
The Commissioner in Executive Council may designate an “energy project” (defined to include any oil or gas pipeline) as a “regulated project”, allowing the Minister to impose terms and conditions in respect of the project. The Commissioner in Executive Council may give directions to Yukon Utilities Board in respect of, among other things, utility rates and the operations of public utilities. The above measures permit the Government of Yukon to regulate and issue various authorizations relating to transportation including transportation via pipeline, transportation of fuels, and transportation of other goods and services incidental to energy distribution. This may involve, among other things, the making of measures to: • impose performance requirements, and • limit ownership on the basis of residence.

9. YUKON

Sector:	Energy
Sub-Sector:	Oil and gas; services incidental to energy distribution; crude petroleum and natural gas; transport services via pipeline
Industry Classification:	CPC 120, 713, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
Canada-Yukon Oil and Gas Accord *Oil and Gas Act,* RSY 2002, c 162, ss. 9, 10, 12, 17, 26, 27, 28, 29, 36, 40, 41, 42, 43, 44, 46, 47, 48, 51, 54, 61, 63, 65, 67, 75, and 76 *Oil and Gas Pipeline Regulation* *Oil and Gas Disposition Regulations,* YOIC 1999/147	

Oil and Gas Licence Administration Regulations, YOIC 2004/157 *Oil and Gas Drilling and Production Regulations,* YOIC 2004/158 *Oil and Gas Geoscience and Exploration Regulations,* YOIC 2004/156 *Oil and Gas Royalty Regulations,* YOIC 2008/25 *Yukon Environmental and Socio-Economic Assessment Act,* SC 2003, c 7
Description:
The above measures permit the Government of Yukon to regulate and issue various authorizations relating to energy, including oil and gas, services incidental to energy distribution, crude petroleum and natural gas, and transport services via pipeline. This may involve, among other things, the making of measures to: • impose performance requirements; and • limit ownership on the basis of residence.

10. YUKON

Sector:	Land
Sub-Sector:	Recreational and other open land
Industry Classification:	CPC 5330
Type of Exception:	Article 201 (Non-Discrimination), Article 312 (Market Access – Investment)
Measure(s):	
Lands Act Regulation, YOIC 1983/192, YOIC 2012/159, ss 52 and 67	
Description:	
For the purposes of a rural lot residential lottery an eligible natural person is one who has resided in Yukon for one continuous year. For the purposes of the recreational residential lot lottery an eligible natural person is one who:(1) has resided in Yukon for one continuous year immediately prior to the date of the sale, (2) has not, and whose dependents or spouse, whether lawfully married or not, have not purchased or entered into an agreement to purchase from the Commissioner a recreational residential lot within the three year period which precedes the date of the sale by lottery, or applied to enter the same lottery and does not have a spouse or dependents who participate in the same lottery.	

Schedule of the Northwest Territories

Annex I

1. NORTHWEST TERRITORIES

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining
Industry Classification:	CPC 120, 883
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)

Measure(s):

Oil and Gas Operations Act, SNWT 2014, c 14

Petroleum Resources Act, SNWT 2014, c 15

Description:

The Minister must approve (or waive the requirement for) a “benefits 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. A benefits plan may be required to include provisions to ensure that disadvantaged natural persons or groups have access to training and employment opportunities and to enable those natural persons or groups or corporations owned or cooperatives operated by them to participate in the supply of goods and services used in a proposed work or activity referred to in the benefits plan

Schedule of Nunavut

Annex I

1. NUNAVUT

Sector:	Tourism; Agriculture; Wildlife
Sub-Sector:	Services incidental to hunting, fishing, and trapping industries; tourist guide agencies (wilderness tourism); own-account hunting; live animals, hides, skins, and furskins
Industry Classification:	CPC 021, 0297, 7472, 96419, 8813
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements)
Measure(s):	
Wildlife Act, SNu 2003, c 26, s 113	
Description:	
In the allocation of a dealer's licence, guiding licence, fur farm licence, game farm licence, tanning licence, or taxidermy licence preference shall be given to an applicant who had made his or her principal residence in the Nunavut Settlement Area for at least 18 continuous months prior to the submission of his or her application. Preference will also be given to applications that will likely provide direct benefits to the Nunavut economy, in particular through employment of local human or economic resources.	

ANNEX II: Exceptions for Future Measures

Schedule of Canada

Annex II

1. CANADA	
Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)
Description:	
Canada's measures for the provision of infrastructure are not subject to Article 201 (Non-Discrimination). For greater certainty, this exception is of no effect with respect to Chapter 5 (Government Procurement), Article 320 (Prohibited Incentives) and Article 321 (Avoidance of Certain Incentives), or any other obligation of this Agreement.	
Any Existing Measures:	

2. CANADA	
Sector:	Fisheries
Sub-Sector:	Fishing; services incidental to fishing
Industry Classification:	CPC 04, 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
Canada reserves the right to adopt or maintain any measure with respect to licensing fishing or fishing related activities including entry of foreign fishing vessels to Canada's exclusive economic zone, territorial sea, internal waters, or ports, and use of services therein.	
Any Existing Measures: (Provided for Illustrative Purposes Only)	
Coastal Fisheries Protection Act, RSC 1985, c C-33 *Fisheries Act*, RSC 1985, c F-14	

Coastal Fisheries Protection Regulations, CRC, c 413 Commercial Fisheries Licensing Policy for Eastern Canada - 1996 Policy on Foreign Investment in the Canadian Fisheries Sector, 1985 *Freshwater Fish Marketing Act*, RSC 1985, c F-13 *Quebec Fishery Regulations, 1990*, SOR/90-214

3. CANADA

Sector:	Energy
Sub-Sector:	Pipeline; power line
Industry Classification:	CPC 713, 5134, 5135, 17, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Canada reserves the right to adopt or maintain any measure with respect to the issuance of authorizations for transportation and transmission on pipelines and power lines.
Any Existing Measures: (Provided for Illustrative Purposes Only)
Canadian Energy Regulator Act (S.C. 2019, c. 28, s. 10) *National Energy Board Act*, RSC 1985, c N-7 [Repealed, 2019, c. 28, s. 44]

4. CANADA

Sector:	Transportation
Sub-Sector:	Marine transportation
Industry Classification:	Construction work for waterways, harbours, dams, and other water works, transportation services by sea-going/non sea-going vessels, supporting and other services for water transport, and any other marine activity of a commercial nature undertaken by, from, or for a vessel. CPC 721, 722, 745, 5133, 5223, any other commercial marine activity undertaken from a vessel
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Canada reserves the right to adopt or maintain any measure affecting the investment in or provision of maritime services in waters under Canadian jurisdiction, the efficiency and

competitiveness of commercial marine activities, the harmonization of requirements in boundary waters, or the management of government assets and properties.
Any Existing Measures: (Provided for Illustrative Purposes Only)
Coasting Trade Act, SC 1992, c 31

5. CANADA

Sector:	Transportation
Sub-Sector:	Passenger rail transportation; freight rail transportation
Industry Classification:	CPC 7111, 7112
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
Canada reserves the right to adopt or maintain measures that could result in different passenger rail transportation service levels between regions of Canada based on such factors as passenger demand and the need to provide service to remote communities. In order to ensure the integrated and competitive operation of the national freight rail transportation system, Canada may adopt or maintain measures relating to freight rail transportation services.	
Any Existing Measures: (Provided for Illustrative Purposes Only)	
Financial Administration Act, RSC 1985, c F-11 and as set out in the description *Canada Transportation Act,* SC 1996, c 10 *Railway Interswitching Regulations*, SOR/88-41	

6. CANADA

Sector:	Transportation
Sub-Sector:	All transportation sub-sectors, other than the following sub-sectors: maritime container station and depot services; maritime agency services; maritime freight forwarding services; aircraft repair and maintenance services; computer reservation systems; passenger and freight transportation by railway; maintenance and repair of rail transport equipment; repair services n.e.c. of motor vehicles, trailers and semi-trailers, on a fee or contract basis; maintenance and repair services of motor vehicles; maintenance and repair services of motorcycles and snowmobiles; cargo handling services for land transport; storage and warehousing services for land transport; freight transport agency services

	for land transport; other supporting and auxiliary transport services for land transport
Industry Classification:	All of CPC 7, CPC 51, CPC 61, CPC 886 and any other commercial activity undertaken from, or with respect to a vessel, aircraft, motor vehicle or rail transport equipment, other than: CPC 6112, CPC 6122, CPC 7111, CPC 7112, CPC 741 (limited to land transport services); CPC 742 (limited to land transport services); CPC 7480 (limited to land transport services); CPC 7490 (limited to land transport services); CPC 8867; CPC 8868 (limited to rail transport equipment)
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Canada reserves the right to adopt or maintain any measure related to the designation, establishment, expansion, or operation of monopolies or exclusive services suppliers in the transportation sector.
Any Existing Measures:

7. CANADA

Sector:	Transportation
Sub-Sector:	Aviation; air transport; all related services in support of aviation and air transport
Industry Classification:	
Type of Exception:	All obligations, except as modified by the description

Description:
Measures relating to aviation or air transport, or related services in support of aviation or air transport, are not subject to this Agreement. Notwithstanding the foregoing, Canada's measures relating to aviation or air transport, or related services in support of aviation or air transport, are subject to Article 203 (Transparency) and Article 402 (Regulatory Notification). Notwithstanding the foregoing, Chapter Five (Government Procurement) is applicable to measures regarding the procurement of aviation goods and services by a procuring entity.
Any Existing Measures:

8. CANADA

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination)

Description:

Canada reserves the right to adopt or maintain any measure that is part of a general framework of regional economic development, provided that:

(a) the measure does not operate to impair unduly the access of persons, goods, services, or investments of another Party; and

(b) the measure is not more trade restrictive than necessary to achieve its specific objective.

For the purposes of this exception, “general framework of regional economic development” means a program or statute-based system that:

(a) specifies eligibility criteria or development priorities based on, but not limited to, such factors as geographic area, sector or population group;

(b) is generally available to recipients that meet the eligibility criteria; and

(c) identifies reasonable performance or economic development objectives or targets that can be measured.

Any Existing Measures:

9. CANADA

Sector:	Immigration
Sub-Sector:	Temporary foreign workers
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Canada reserves the right to adopt or maintain any measure relating to the Temporary Foreign Worker Program and International Mobility Program, or successor programs, or other measures that regulate foreign nationals’ ability to work in Canada on a temporary basis.

Any Existing Measures:

Schedule of Ontario

Annex II

1. ONTARIO

Sector:	Energy
Sub-Sector:	Production, transmission, and distribution of electricity, gas, steam, and hot water; crude petroleum and natural gas; transport services via pipeline (except for hydrocarbon pipelines); petroleum gases and other gaseous hydrocarbons, except natural gas; services incidental to energy distribution
Industry Classification:	CPC 17, 120, 334, 713, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Ontario reserves the right to adopt or maintain a measure limiting market access in the exploration, production, generation, extraction, importation, exportation, transportation, transmission, distribution, storage, sale, retailing, marketing, conservation, demand/load management, and development of energy (including electricity, natural gas, and renewable energy), with the exception of measures imposing limitations on the participation of foreign capital in terms of a maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

Ontario reserves the right to adopt or maintain any measure limiting market access in the granting of exclusive rights to own and/or operate a transmission or distribution system, or to produce, generate, store, sell, retail, or market energy (including electricity, natural gas, or renewable energy).

For greater certainty, this exception is without prejudice to the right of Ontario to impose limitations on the participation of foreign capital when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity involved with the above activities.

For greater certainty, nothing in this exception applies to hydrocarbon pipelines.

Any Existing Measures:

2. ONTARIO

Sector:	Cannabis

Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Description:

Ontario reserves the right to adopt and maintain a measure limiting market access and right of entry and exit related to the retail and wholesale of cannabis within 5 years of coming into force of this party-specific exception. Any such measure adopted by Ontario within a 5 year period will continue to be reserved against Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services) and Article 312 (Market Access – Investment) after the 5 year period expires, including:

a) the continuation or prompt renewal of the measure; or

b) an amendment to the measure to the extent that the amendment does not decrease the conformity of the measure with those obligations as it existed immediately before the amendment.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Schedule of Quebec

Annex II

1. QUÉBEC

Sector:	Agriculture, fisheries, aquaculture
Sub-Sector:	All Sub-Sectors
Industry Classification:	CPC 01, 02, 04, 21, 22, 23, 8811 (other than rental of agricultural equipment with operator), 8812, 882
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Québec reserves the right to adopt or maintain any measure respected to the production, transfer of possession or ownership, processing, and collective marketing of aquaculture, marine, and fish products.

Québec also reserves the right to adopt or maintain any measure in connection with the issuance of permits under the Food Products Act

Any Existing Measures: (Provided For Illustrative Purposes Only)

Food Products Act, CQLR c P-29

An Act to regularize and provide for the development of local slaughterhouses, CQLR c R-19.1

An Act respecting the marketing of agricultural, food and fish products, CQLR c M-35.1

An Act respecting the marketing of marine products, CQLR c C-32.1

The Marine Products Processing Act, CQLR c T-11.01

An Act respecting commercial aquaculture, CQLR c A-20.2

2. QUÉBEC

Sector:	Forestry
Sub-Sector:	All Sub-Sectors
Industry Classification:	CPC 031, 31, 32, 8814
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Québec reserves the right to adopt or maintain any measure respected to forestry.

This includes: development, access, exploitation, marketing or processing of forest resources, and the products derived from (including biomass and non-timber); as well as transport and supply of wood-processing plants, etc.

These measures also include, imposing public interest tests or taking into account socio-economic factors.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Sustainable Forest Development Act, CQLR c A-18.1

An Act respecting the Ministère des Ressources naturelles et de la Faune, CQLR c M-25.2

An Act respecting the marketing of agricultural, food and fish products, CQLR c M-35.1

Transport Act, CQLR c T-12

3. QUÉBEC

Sector:	Energy
Sub-Sector:	Electricity energy and all services
Industry Classification:	CPC 171, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services), including Section 2 of Annex 309 (Open and Non-Discriminatory Provision of Electricity Transmission Service), Article 312 (Market Access – Investment).

Description:

Québec reserves the right to adopt or maintain any measure related to electricity. This includes: production, fixing and modification of rates and conditions, transmission, purchase, supply, distribution, procurement, exportation, importation, sales, investments, transport, energy efficiency and maintenance of electrical facilities, etc.

Québec reserves the right to adopt or maintain any measure related to the transfer and the granting of lands in the domain of the State and of movable and immovable property.

Québec reserves the right to adopt or maintain any measure related to all powers and sources of energy from which it is possible to produce electricity.

These measures also include taking into account economic, social or environmental factors.

For greater certainty, no obligation listed in Section 2 of Annex 309 (Open and Non-Discriminatory Provision of Electricity Transmission Service) applies to Québec or to any Québec measure related to electricity. Also for greater certainty, regarding electricity transmission services or the trade in electricity transmission services, Article 316 (Non-Discrimination) and Article 317 (Commercial Considerations) of Part D (Monopolies and Government Enterprises – Commercial Activity) of this Agreement do not apply to any measure adopted or maintained by a Québec monopoly or a Québec government enterprise given the

non-application of Section 2 of Annex 309 (Open and Non-Discriminatory Provision of Electricity Transmission Service) to Québec or to any Québec measure related to electricity.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Hydro-Québec Act, CQLR c H-5 *An Act respecting the exportation of electric power*, CQLR c E-23 *An Act respecting the Régie de l'énergie*, CQLR c R-6.01 *An Act respecting municipal and private electric power systems*, CQLR c S-41 *Act respecting the Ministère des Ressources naturelles et de la Faune*, CQLR c M-25.2 *An Act respecting threatened or vulnerable species*, CQLR c E-12.01 *An Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives***,** 1986, c 21, as modified by *An Act respecting the Régie de l'énergie*, 1996, c 61 *Watercourses Act*, CQLR c R-13 *Environment quality Act,* CQLR c Q-2 *An Act respecting energy efficiency and innovation,* CQLR c E-1.3

4. QUÉBEC

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; transport services via pipeline; services incidental to energy distribution
Industry Classification:	CPC 120, 713, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 312 (Market Access – Services); Article 312 (Market Access – Investment)
Description:	
Québec reserves the right to adopt or maintain any measure related to the distribution of oil and gas, to transport services via pipeline, and to oil and gas development. These include, amongst others, development and implementation of benefits plans.	
Any Existing Measures: (Provided For Illustrative Purposes Only)	
An Act respecting the Régie de l'énergie, CQLR c R-6.01 *Mining Act,* CQLR c M-13.1 *Measures implementing the Canada-Quebec Gulf of St. Lawrence Petroleum Resources Accord* *Petroleum products Act,* CQLR c P-30.01 *An Act respecting energy efficiency and innovation,* CQLR c E-1.3	

Canada Oil and Gas Operations Act, RSC 1985, c O-7

5. QUÉBEC

Sector:	Fisheries
Sub-Sector:	Fishing; services incidental to fishing
Industry Classification:	CPC 04, 882
Type of Exception:	Article 201 (Non-Discrimination); Article 307 (Market Access – Services); Article 312 (Market Access – Investment)
Description:	
Québec reserves the right to implement all powers delegated by federal laws and regulations on fisheries.	
Any Existing Measures: (Provided For Illustrative Purposes Only)	
Fisheries Act, RSC 1985, c F-14 *Quebec Fishery Regulations, 1990*, SOR/90-214	

6. QUÉBEC

Sector:	Social services
Sub-Sector:	
Industry Classification:	
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
Québec reserves the right to adopt or maintain any measure related to the supply of social services not otherwise covered by Article 805 (Social Services).	
Any Existing Measures:	

7. QUEBEC

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Manufacture of cannabis; Wholesale trade services, including on a fee or

	contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E; Cannabis accessories
Industry Classification:	A, B, C, D, E, F, G
Type of Exception:	Article 201 (Non Discrimination) [limited as per description], Article 301 (Right of Entry and Exit), Article 302 (Technical Barriers to trade), Article 303 (Sanitary and Phytosanitary Measures), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Quebec reserves the right to adopt or maintain any measure related to cannabis and cannabis accessories. This includes: the importation, production, supply, distribution, transport, storage, marketing (including sale, packaging, labeling, advertising and promotion), services connected to cannabis purchase, possession or use of cannabis or cannabis accessories.

Quebec is implementing these measures and carrying out these activities, in particular through its provincial monopoly, the Société québécoise du cannabis.

With regard to the application of Article 201 (non-discrimination), if another Party has:

- reserved the right to derogate from the obligation set forth under article 201 (Non Discrimination); and
- exercised its right to discriminate against and to the detriment of Québec cannabis products, accessories, services or investments;

and consultations with that Party have failed to resolve the matter, Québec reserves the right to provide treatment to that Party's cannabis products, accessories, services or investors that is no less favourable than the treatment provided by that other Party to Québec's products, accessories, services or investors until such time as a mutually satisfactory resolution of the matter is achieved.

This exception also applies with respect to protecting Québec's ability to reserve, in International Trade Agreements, its right to offer better treatment to Canadian cannabis products, accessories, services or investments.

Without limiting the generality of the foregoing, it is understood that the exception to article 301 (Right of Entry and Exit) does not apply to the transport of cannabis carried out by a cannabis producer himself, including the transportation of cannabis in transit in Quebec or for inter-company delivery, in compliance with the applicable standards and conditions.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis regulation Act, CQLR c C-5.3

An Act respecting the Société des alcools du Québec, CQLR c S-13

Tobacco control Act, CQLR c L-6.2

Schedule of Nova Scotia

Annex II

1. NOVA SCOTIA

Sector:	Forestry
Sub-Sector:	Forestry and logging products; forest resource processing; services incidental to agriculture, hunting, and forestry; manufacture of paper and paper products, on a fee or contract basis
Industry Classification:	CPC 031, 321, 881 (excluding rental of agricultural equipment with operator and 8814) 88430, 88441,
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investments)

Description:
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access in the sub-sectors noted above.
Any Existing Measures:

2. NOVA SCOTIA

Sector:	Fisheries and hunting
Sub-Sector:	Edible products of animal origin n.e.c.; raw skins of other animals n.e.c. (fresh or preserved, but not further prepared); fish and other fishing products; other meat and edible offal, fresh, chilled or frozen (including rabbit meat), excluding frog legs, animal oils and fats, crude and refined; tanned or dressed fur skins; prepared and preserved fish; sales on a fee or contract basis of food products, beverages and tobacco; wholesale trade services of fishery products; transportation of frozen or refrigerated goods
Industry Classification:	CPC 0295, 02974, 04, 21129, 212, 2162, 2831, 62112, 62224, part of 71231, 8813, 882
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investments)

Description:
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access in the sub-sectors noted above.
Any Existing Measures:

3. NOVA SCOTIA

Sector:	Energy
Sub-Sector:	Electrical energy; and services incidental to energy distribution
Industry Classification:	CPC 17, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investments)
Description:	
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access in the sub-sectors noted above.	
Any Existing Measures:	

4. NOVA SCOTIA

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; and services incidental to energy distribution
Industry Classification:	CPC 120, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investments)
Description:	
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access in the sub-sectors noted above.	
Any Existing Measures:	

5. NOVA SCOTIA

Sector:	Alcoholic beverages

Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, spirits, wine, beer and other alcoholic beverages, liquor, wine, beer, and other alcoholic beverages stores); manufacturing; producing; processing of alcoholic beverages.
Industry Classification:	CPC 24, 62112, 62226, 63107
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investments)

Description:
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access in the sub-sectors noted above.
Any Existing Measures:

6. NOVA SCOTIA

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E; Cannabis accessories
Industry Classification:	A, B, D, E, F, G
Type of Exception:	Article 301 (Right of Entry and Exit), Article 302 (Technical Barriers to Trade), Article 307 (Market Access - Services), Article 312 (Market Access - Investments)

Description:
The Government of Nova Scotia reserves the right to adopt or maintain measures limiting market access, limitations on right of entry and exit on services, investments, and goods, and measures related to Technical Barriers to Trade relating to the movement, purchase, importation, possession, delivery, transportation and sale of cannabis or cannabis accessories, in the sub-sectors noted above. The Government of Nova Scotia reserves the right to adopt or maintain any measure provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination.
Any Existing Measures: (Provided For Illustrative Purposes Only)

Schedule of New Brunswick

Annex II

1. NEW BRUNSWICK

Sector:	Fisheries and Aquaculture
Sub-Sector:	Fish and other fishing products; wholesale trade in services of fisheries products; services incidental to fishing
Industry Classification:	CPC 04, 882
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

New Brunswick reserves the right to adopt or maintain any measure with respect to collective marketing and trading arrangements for fish, aquaculture and seafood products, and licensing fishing or fishing related activities.

Any Existing Measures: (Provided for Illustrative Purposes Only)

Seafood Processing Act, SNB 2006, c S-5.3

Aquaculture Act, RSNB 2011, c 112

Seafood Industry Improvement Fund Act, SNB 2016, c 15

Clean Water Act, SNB 1989, c C-6.1

2. NEW BRUNSWICK

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor, wine and beer stores); alcoholic beverages
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The New Brunswick Liquor Corporation is a Government of New Brunswick crown agency that is the sole importer and wholesaler, retailer, and distributor of alcoholic beverages in New Brunswick. The above measures permit New Brunswick to regulate and authorize the importation, purchase, production, distribution, supply, marketing and sale of alcoholic beverages in New Brunswick. New Brunswick reserves the right to adopt or maintain any measure limiting market

access in the sub-sectors listed above, with the exception of measures imposing limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment. New Brunswick reserves the right to apply a differential cost of service, fees or other charges to beer and beer products of any other Party where it can be demonstrated that beer and beer products originating from New Brunswick encounter higher cost of service, fees, other charges or handling requirements than beer and beer products of that Party.
Any Existing Measures: (Provided for Illustrative Purposes Only)
New Brunswick Liquor Corporation Act, SNB 1974, c N-6.1

3. NEW BRUNSWICK

Sector:	Energy
Sub-Sector:	Electrical energy; services incidental to energy distribution
Industry Classification:	CPC 17, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
New Brunswick reserves the right to adopt or maintain any measure limiting market access in the transfer of hydraulic power vested in the domain of the province, the production, transport, distribution and exportation of electricity, and the maintenance of electrical facilities, with the exception of measures imposing limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment. For greater certainty, this exception is without prejudice to the right of New Brunswick to impose limitations on the participation of non-New Brunswick capital when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing government entity.
Any Existing Measures:

4. NEW BRUNSWICK

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining

Industry Classification:	CPC 120, 883
Type of Exception:	Article 307 (Market Access – Services), Article 313 (Performance Requirements)

Description:

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, including implementing legislation such as the New Brunswick Oil and Gas Accord. For the purposes of this exception this accord shall be deemed, once concluded, to be an existing measure.

Any Existing Measures:

5. NEW BRUNSWICK

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Cannabis Management Corporation is a Government of New Brunswick crown agency that is the sole importer and wholesaler, retailer, and distributor of cannabis in New Brunswick. The above measures permit New Brunswick to regulate and authorize the importation, purchase, production, distribution, supply, marketing, and sale of cannabis in New Brunswick. This includes the right to contract with service providers to undertake the importation, purchase, production, distribution, supply, marketing, and sale of cannabis in New Brunswick on behalf of the Cannabis Management Corporation. New Brunswick reserves the right to adopt or maintain any measure limiting market access in the sub-sectors listed above.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis Management Corporation Act, SNB 2018, c 3

Schedule of Manitoba

Annex II

1. MANITOBA

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, and liquor, wine and beer stores); manufacture of alcoholic beverages
Industry Classification:	CPC 24 (other than 244), 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Exit and Entry), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Manitoba reserves the right to adopt or maintain any measure limiting market access or right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

2. MANITOBA

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; electrical energy; services incidental to energy distribution
Industry Classification:	CPC 120, 171, 887
Type of Exception:	Article 301 (Right of Exit and Entry), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Manitoba reserves the right to adopt or maintain any measure limiting market access or right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

3. MANITOBA

Sector:	Cannabis

Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Manufacture of cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, B, C, D, E, F
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Manitoba reserves the right to adopt or maintain any measure limiting market access or right of entry and exit in the subsectors noted above.

Manitoba Liquor and Lotteries Corporation maintains exclusive rights for the wholesale importation and distribution of cannabis in Manitoba.

Municipal plebiscites are permitted to prohibit (or lift a prohibition on) the sale of cannabis from a cannabis store in the municipality.

Any Existing Measures: (Provided For Illustrative Purposes Only)

The Manitoba Liquor and Lotteries Corporation Act, C.C.S.M. c. L155

The Liquor, Gaming and Cannabis Control Act, C.C.S.M. c.L153

Schedule of British Columbia

Annex II

1. BRITISH COLUMBIA

Sector:	Energy
Sub-Sector:	Production, transmission and distribution of electricity, gas, steam and hot water; crude petroleum and natural gas; petroleum gases and other gaseous hydrocarbons; transport services *via* pipeline; services incidental to energy distribution
Industry Classification:	CPC 17, 120, 334, 713, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

British Columbia reserves the right to adopt or maintain any measure relating to: (i) the exploration, production, extraction, and development of crude petroleum or natural gas; (ii) rights to operate related crude petroleum or natural gas distribution or transportation systems, including related pipeline and marine distribution and transport services; or (iii) the production, transport, distribution, furnishing, and importation and exportation of electricity, that:

(a) limits the number of covered investments or service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limits the total number of natural persons that may be employed in a subsector or that a covered investment may employ and who are necessary for, and directly related to, the performance of an economic activity in the form of numerical quotas or the requirement of an economic needs test; or

(e) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures:

2. BRITISH COLUMBIA

Sector:	Forestry

Sub-Sector:	Forestry and logging products; services incidental to forestry and logging
Industry Classification:	CPC 03, 8814
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

British Columbia reserves the right to adopt or maintain any measure relating to the production, processing, marketing, extraction, and development of forest resources and products derived from them, including the granting of licences, that:

(a) limits the number of covered investments or service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limits the total number of natural persons that may be employed in a subsector or that a covered investment may employ and who are necessary for, and directly related to, the performance of an economic activity in the form of numerical quotas or the requirement of an economic needs test; or

(e) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures:

3. BRITISH COLUMBIA

Sector:	Fisheries
Sub-Sector:	Fishing; services incidental to fishing
Industry Classification:	CPC 04, 882, 62224
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

British Columbia reserves the right to adopt or maintain any measure relating to the production, processing, and collective marketing of aquaculture, marine, or other fish products that:

(a) limits the number of covered investments or service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limits the total number of natural persons that may be employed in a subsector or that a covered investment may employ and who are necessary for, and directly related to, the performance of an economic activity in the form of numerical quotas or the requirement of an economic needs test; or

(e) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures:

4. BRITISH COLUMBIA

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); manufacturing of alcoholic beverages
Industry Classification:	CPC 24 (other than 244), 62112, 62226, 63107
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

British Columbia reserves the right to adopt or maintain any measure relating to the importation, marketing, licensing, sale, and distribution of alcoholic beverages in British Columbia that:

(a) limits the number of covered investments or service suppliers, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limits the total number of natural persons that may be employed in a subsector or that a covered investment may employ and who are necessary for, and directly related to, the performance of economic activity in the form of numerical quotas or the requirement of an economic needs test; or

(e) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures:

5. BRITISH COLUMBIA

Sector:	Energy
Sub-Sector:	Services incidental to energy distribution
Industry Classification:	CPC 887
Type of Exception:	Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services)

Description:

British Columbia Hydro and Power Authority (“BC Hydro”) is a Crown corporation that owns most of the generation, transmission, and distribution facilities in British Columbia. Annex 309 does not apply to any measures respecting BC Hydro’s 1L359 transmission line which extends from BC Hydro’s Fort Nelson generating station in British Columbia to the Rainbow Lake substation in Alberta.

Any Existing Measures:

6. BRITISH COLUMBIA

Sector:	Cannabis

Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

British Columbia reserves the right to adopt or maintain any measure relating to the importation, marketing, licensing, sale, and distribution of cannabis or cannabis goods in British Columbia that:

(a) limits the number of covered investments or service suppliers that may carry out a specific economic activity, whether in the form of numerical quotas, monopolies, exclusive service suppliers, or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limits the total number of natural persons that may be employed in a subsector or that a covered investment may employ and who are necessary for, and directly related to, the performance of economic activity in the form of numerical quotas or the requirement of an economic needs test; or

(e) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Schedule of Prince Edward Island

Annex II

1. PRINCE EDWARD ISLAND

Sector:	Fisheries and Aquaculture
Sub-Sector:	Fish and other fishing products; wholesale trade in services of fisheries products; services incidental to fishing
Industry Classification:	CPC 04, 62224, 882
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Prince Edward Island reserves the right to adopt or maintain any measure limiting right of entry and exit or market access in these sub-sectors, including collective marketing and trading arrangements for fish and aquaculture products.
Any Existing Measures:

2. PRINCE EDWARD ISLAND

Sector:	Energy
Sub-Sector:	Renewable energy systems, electrical energy, oil and natural gas, services incidental to energy distribution
Industry Classification:	CPC 120, 17, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Prince Edward Island reserves the right to adopt or maintain any measures limiting right of entry and exit or market access in these sub-sectors.
Any Existing Measures:

3. PRINCE EDWARD ISLAND

Sector:	Forestry
Sub-Sector:	Forestry and logging products, forest resource processing, services incidental to agriculture, hunting and forestry, manufacture of paper and paper products, on a fee or contract basis
Industry Classification:	CPC 03, 321, 881 (excluding rental of agricultural equipment with operator and 8814), 88430, 88441
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Prince Edward Island reserves the right to adopt or maintain any measure limiting right of entry and exit or market access in these sub-sectors.
Any Existing Measures:

4. PRINCE EDWARD ISLAND

Sector:	Alcoholic Beverages
Sub-Sector:	Commissions agents' services; wholesale trade services; retail services (liquor, wine and beer, liquor wine and beer stores); manufacture of Alcoholic Beverages
Industry Classification:	CPC 24, 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Prince Edward Island reserves the right to adopt or maintain any measure limiting right of entry and exit or market access in these sub-sectors.
Any Existing Measures:

5. PRINCE EDWARD ISLAND

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E

Industry Classification:	A, D, E, F
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Prince Edward Island Cannabis Management Corporation is a crown corporation that is the sole importer and wholesaler, retailer and distributor of cannabis in Prince Edward Island. The Cannabis Management Corporation Act provides for the establishment of cannabis stores that will be maintained and operated by the Corporation. The noted exceptions permit Prince Edward Island to regulate and authorize the importation, purchase, production, distribution, supply, marketing, and sale of cannabis in Prince Edward Island. Prince Edward Island reserves the right to adopt or maintain any measure limiting market access in the sub-sectors listed above. No import or export restrictions are imposed on licensed cannabis producers.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis Management Corporation Act, R.S.P.E.I. 1988, C-1.3

Schedule of Saskatchewan

Annex II

1. SASKATCHEWAN

Sector:	Alcoholic Beverages
Sub-Sector:	Beverages, wholesale; liquor, wine and beer stores; commission agents' services; wholesale trade services; retailing services
Industry Classification:	CPC 24, 62112, 62226, 63107, 643
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Saskatchewan reserves the right to adopt or maintain any measure to:

(a) limit the number of covered investments or service suppliers whether in the form of numerical quotas, monopolies, exclusive suppliers, or the requirements of an economic needs test.

(b) restrict or require specific types of legal entity or joint venture through which an investor may perform an economic activity in the sub-sectors noted above.

Any Existing Measures: (Provided for Illustrative Purposes Only)

The Alcohol and Gaming Regulation Act, 1997, SS 1997, c A-18.011

The Alcohol Control Regulations, 2016, RRS c A-18.011 Reg 7

2. SASKATCHEWAN

Sector:	Energy
Sub-Sector:	Electricity, town gas, steam and hot water; coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons; services incidental to energy distribution; electrical energy; producer gas; transport services via pipeline
Industry Classification:	CPC 17, 1202, 713, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Saskatchewan reserves the right to adopt or maintain any measure to limit the number of covered investments or service suppliers whether in the form of numerical quotas, monopolies, exclusive suppliers, or the requirements of an economic needs test. Saskatchewan reserves the right to adopt or maintain any measure to restrict or require specific types of legal entity or joint venture through which an investor may perform an economic activity in the sub-sectors noted above.
Any Existing Measures: (Provided for Illustrative Purposes Only)
The Power Corporation Act, RSS 1978, c P-19 *The SaskEnergy Act*, SS 1992, c S-35.1

Schedule of Alberta

Annex II

1. ALBERTA

Sector:	Alcoholic Beverages
Sub-Sector:	Beverages; commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); manufacture of food and beverages, on a fee or contract basis
Industry Classification:	CPC 24 (other than 244), 62112, 62226, 63107, 643, 88411
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Alberta reserves the right to adopt or maintain any measure in the above mentioned sectors that:

(a) limits the number of covered investments or service providers that may carry out a specific economic activity, whether in the form of numerical quotas, monopolies, exclusive service providers or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; or

(d) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.

Any Existing Measures:

2. ALBERTA

Sector:	Agriculture; Forestry and fishing products
Sub-Sector:	Forest resource and processing; forestry and logging products; services incidental to forestry and logging
Industry Classification:	CPC 03, 8814
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Alberta reserves the right to adopt or maintain any measure relating to the production, processing, marketing, extraction and development of forest resources, and products derived from them that:

(a) limits the number of covered investments or service providers that may carry out a specific economic activity, whether in the form of numerical quotas, monopolies, exclusive service providers or the requirement of an economic needs test;

(b) limits the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test; or

(c) limits the total number of operations or the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test.

Any Existing Measures:

3. ALBERTA

Sector:	Forestry
Sub-Sector:	
Industry Classification:	CPC 031, 91131
Type of Exception:	Article 301 (Right of Entry and Exit)

Description:

Any measure adopted or maintained relating to the export of certain primary forest products, including logs, trees and wood chips, to destinations outside of Alberta.

Any Existing Measures:

4. ALBERTA

Sector:	Ores and Minerals, Electricity, Gas and Water
Sub-Sector:	All Sub-sectors
Industry Classification:	CPC 11 to 16, 8675, 883, 91132, 91133
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Any measure adopted or maintained relating to:

(a) the licensing, certification, registration, leasing or other disposition of rights to energy or mineral resources;

(b) exploration and development of energy or mineral resources; or

(c) management or conservation of energy or mineral resources.

Any Existing Measures:

5. ALBERTA

Sector:	Environment
Sub-Sector:	Hazardous Materials
Industry Classification:	
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Any measure adopted or maintained relating to the management and disposal of hazardous materials.

Any Existing Measures:

6. ALBERTA

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Alberta reserves the right to adopt or maintain any measure in the above mentioned sector that:

(a) limits the number of covered investments or service providers that may carry out a specific economic activity, whether in the form of numerical quotas, monopolies, exclusive service providers or the requirement of an economic needs test; or

(b) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Gaming, Liquor and Cannabis Act, RSA 2000, c G-1 *Gaming, Liquor and Cannabis Regulation*, Alta Reg 143/96 Alberta Gaming, Liquor and Cannabis Board Policies

Schedule of Newfoundland and Labrador

Annex II

1. NEWFOUNDLAND AND LABRADOR

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; services incidental to energy distribution
Industry Classification:	CPC 120, 7112, 71232, 7131, 7422, 8675, 883, 887
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Article 313 (Performance Requirements)

Description:

The Government of Newfoundland and Labrador reserves the right to adopt or maintain any measure, including measures adopted jointly with Canada, relating to any aspect of, and issue various authorizations relating to, the exploration, production, extraction, development, and transportation of hydrocarbons, and the granting of exclusive rights to operate hydrocarbon distribution systems and storage facilities, including related hydrocarbon pipelines, marine distribution, transshipment facilities, and transport services. Without limiting the generality of the foregoing, such measures may involve discretionary decisions based on various factors, restrictions or limitations on the movement of goods across Provincial boundaries, limitations on market access, imposition of performance requirements, and/or discrimination in favour of residents of Newfoundland and Labrador and/or entities established in accordance with the laws of Canada or a province or territory thereof and having a place of business and substantive operations within Newfoundland and Labrador.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Canada-Newfoundland and Labrador Atlantic Accord Implementation Newfoundland and Labrador Act, RSNL 1990, c C-2

Canada-Newfoundland Atlantic Accord – February 11, 1985

Energy Corporation Act, SNL 2007, c E-11.01

Petroleum and Natural Gas Act, RSNL 1990, c P-10

2. NEWFOUNDLAND AND LABRADOR

Sector:	Energy
Sub-Sector:	Electrical energy; and services incidental to energy distribution
Industry Classification:	CPC 171, 887

Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Government of Newfoundland and Labrador reserves the right to adopt or maintain any measure relating to the above subsectors that:

(a) limits the number of covered investments or service providers, whether in the form of numerical quotas, monopolies, exclusive service providers, or the requirement of an economic needs test;

(b) restricts or requires a specific type of legal entity or joint venture through which an investor may perform an economic activity; or

(c) imposes restrictions or limitations on the movement of goods across Provincial Boundaries.

For greater certainty, this exception is without prejudice to the right of the Government of Newfoundland and Labrador to impose limitations on the participation of foreign capital when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing government entity.

For greater certainty, this exception is not intended to extend to any obligation that the Government of Newfoundland and Labrador may have under Article 309 or Section 2 of Annex 309. In the event of any inconsistency between this exception and Article 309 or Section 2 of Annex 309, the applicable provisions of Article 309 or Section 2 of Annex 309, as the case may be, shall prevail to the extent of the inconsistency.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Electrical Power Control Act, 1994, SNL 1994, c E-5.1
Energy Corporation Act, SNL 2007, c E-11.01
Energy Corporation of Newfoundland and Labrador Water Rights Act, SNL 2008, c E-11.02
Hydro Corporation Act, 2007, SNL 2007, c H-17
Lower Churchill Development Act, RSNL 1990, c L-27
Lands Act, SNL 1991, c 36
Muskrat Falls Project Land Use and Expropriation Act, SNL 2012, c M-25
Public Utilities Act, RSNL 1990, c P-47
The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961, SNL 1961 c 51
Water Resources Act, SNL 2002, c W-4.01

3. NEWFOUNDLAND AND LABRADOR

Sector:	Forestry

Sub-Sector:	Forestry and logging products; forest resource processing; services incidental to agriculture, hunting and forestry; and manufacture of paper and paper products, on a fee or contract basis
Industry Classification:	CPC 031, 321, 88430, 88441, 881 (excluding rental of agricultural equipment with operator and 8814)
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Government of Newfoundland and Labrador reserves the right to adopt or maintain any measure relating to the above subsectors that:

(a) limits the number of covered investments or service providers, whether in the form of numerical quotas, monopolies, exclusive service providers, or the requirement of an economic needs test;

For greater certainty, this exception is without prejudice to the right of the Government of Newfoundland and Labrador to impose limitations on the participation of foreign capital when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing government entity.

Any Existing Measures:

4. NEWFOUNDLAND AND LABRADOR

Sector:	Fishing and Hunting
Sub-Sector:	Edible products of animal origin; raw skins of other animals; fish and other fishing products; other meat and edible offal, fresh, chilled or frozen; animal oils and fats, crude and refined; tanned or dressed fur skins; prepared and preserved fish; sales on a fee or contract basis of food products, beverages and tobacco; wholesale trade services of fishery products
Industry Classification:	
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Government of Newfoundland and Labrador reserves the right to adopt or maintain any measure relating to the above subsectors that:

(a) limits the number of covered investments or service providers, whether in the form of numerical quotas, monopolies, exclusive service providers, or the requirement of an economic needs test; or (b) imposes restrictions or limitations on the movement of goods across Provincial boundaries. For greater certainty, this exception is without prejudice to the right of the Government of Newfoundland and Labrador to impose limitations on the participation of foreign capital when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing government entity.
Any Existing Measures:

5. NEWFOUNDLAND AND LABRADOR

Sector:	Food, Beverage and Drug Industries
Sub-Sector:	Liquor, wine and beer stores
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
The *Importation of Intoxicating Liquors Act* (Canada) gives each provincial government an import monopoly on any intoxicating liquors entering its territory. The *Liquor Corporation Act* establishes the Newfoundland and Labrador Liquor Corporation (the “NLC”) and bestows on the NLC an import and sales monopoly on intoxicating liquors entering Newfoundland and Labrador.	
Any Existing Measures: (Provided For Illustrative Purposes Only)	
Liquor Corporation Act, RSNL 1990, c L-19	

6. NEWFOUNDLAND AND LABRADOR

Sector:	Cannabis
Sub-Sector:	Cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, D, E, F

Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Federal *Cannabis Act* grants to the Provincial Government the ability to regulate the distribution and sale of cannabis and cannabis products within the Province. The *Cannabis Control Act* establishes the statutory framework for the distribution and sale of cannabis and cannabis products within the Province. The *Liquor Corporation Act* gives the Newfoundland and Labrador Liquor Corporation the authority to buy, import and sell cannabis; control the possession, sale and delivery of cannabis; establish, maintain and operate cannabis stores; and issue licences for the possession, sale and delivery of cannabis.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis Control Act, SNL 2018, c C-4.1

Liquor Corporation Act, RSNL 1990, c. L-19

Schedule of Yukon

Annex II

1. YUKON

Sector:	Alcoholic Beverages
Sub-Sector:	Wholesale trade of beverages; retail sale of beverages not consumed on the spot; sales, on a fee or contract basis, of food goods, beverages and tobacco
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107, 8841, 7123 (except 71231, 71232, 71233, 71234)
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Yukon reserves the right to adopt or maintain any measure limiting market access in advertising, storage, manufacture, distribution, transport, sale, and trade of alcoholic beverages.

The Yukon Liquor Corporation is the sole commercial importer of alcoholic beverages into Yukon. In-territory manufacturers of alcoholic beverages are allowed to operate a retail outlet at the manufacturing facility as an agent of the Yukon Liquor Corporation.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Liquor Act, RSY 2002, c 140, ss. 8, 9, 37, 73, and 119

Liquor Regulations, YOIC 1977/37

Regulations to Amend the Liquor Regulations, YOIC 2010/157, YOIC 2012/96

2. YUKON

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; transport services via pipeline; services incidental to energy distribution
Industry Classification:	CPC 120, 713, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Yukon reserves the right to adopt or maintain any measure limiting market access in the exploration, production, extraction and development of oil and gas.

Yukon reserves the right to adopt or maintain any measure granting exclusive rights to operate a natural gas or oil distribution or transportation system, including activities related to oil and natural gas pipelines, marine distribution services, and transport services.
Any Existing Measures:

3. YUKON

Sector:	Energy
Sub-Sector:	Production, transmission, and distribution of electricity, gas, steam and hot water, electricity, and related services
Industry Classification:	CPC: 17, 887
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Yukon reserves the right to adopt or maintain any measure limiting market access in:

- water power;
- the production, transport, distribution, furnishing, and exportation of electricity;
- the commercial and industrial uses of water; and
- services incidental to energy distribution.

Yukon may make available to Yukon Development Corporation (or a subsidiary or successor corporation) for operational purposes a water power or other facility that is owned by or under the control of Yukon.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Public Utilities Act, RSY 2002, c 186, ss 17, 21, 22, 35, 42, 43, 51, and 77

4. YUKON

Sector:	Forestry
Sub-Sector:	Forestry and logging goods
Industry Classification:	CPC 03, 531
Type of Exception:	Article 312 (Market Access – Investment)

Description:

Yukon reserves the right to adopt or maintain any measure limiting market access in activities related to forestry (excluding forestry processing) and logging products.
Any Existing Measures:

5. YUKON

Sector:	Forestry and Agriculture
Sub-Sector:	Services incidental to agriculture; services incidental to animal husbandry; agricultural land, forest and other wooded land; Crown land leases and permits; forestry and logging products
Industry Classification:	CPC: 8811 (excluding rental of agricultural equipment with operator), 8812, 531, 03
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Yukon reserves the right to adopt or maintain any measure limiting market access in agricultural land, forest resources, and grazing agreements.
Any Existing Measures:

6. YUKON

Sector:	Fisheries
Sub-Sector:	Fish and other fishing products; services incidental to fishing
Industry Classification:	CPC 04, 882
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Yukon reserves the right to adopt or maintain any measure limiting market access in fisheries.
Any Existing Measures:

7. YUKON

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Article 201 (Non-Discrimination), Article 313 (Performance Requirements) and all other rules except for Article 203 (Transparency), Article 320 (Prohibited Incentives), Article 307 (Market Access – Services), Article 308 (Licensing and Qualification Requirements and Procedures), Article 312 (Market Access – Investment), Chapter 5 (Government Procurement) and Chapter 6 (Environmental Protection), Article 704.1(b) (Residency Requirements), Article 705 (Certification of Workers).

Description:

1. Yukon is a relatively small territory with remote populations, short building seasons, extreme weather conditions, minimal infrastructure, and a high cost of living. Measures adopted by Yukon that are part of a general framework of regional economic development play an important role in encouraging long-term job creation, economic growth or industrial competitiveness or in reducing economic disparities with other regions of Canada.
2. Non-discrimination, Performance requirement obligations, and all other rules, except as noted above, do not apply to a measure adopted or maintained by Yukon that is part of a general framework of regional economic development, provided that:
   (a) the measure does not operate to impair unduly the access of persons, goods, services or investments of another Party; and
   (b) the measure is not more trade restrictive than necessary to achieve its specific objective.

Any Existing Measures:

8. YUKON

Sector:	Energy
Sub-Sector:	Transmission and distribution of electricity, and related services
Industry Classification:	CPC: 17, 887

Type of Exception:	Article 201 (Non-Discrimination), Article 307 (Market Access – Services), Article 312 (Market Access – Investment), Annex 309 (Electricity Transmission Service Providers and Trade in Electricity Transmission Services) Article 201 (Non-Discrimination), 307 (Market Access – Services), Article 312(Market Access - Investment), Annex 309 (Electricity Transmission Services)

Description:

Yukon reserves the right to adopt or maintain any measure which limits market access or discriminates in electricity transmission services. Within two years after the date on which Yukon has in place physical infrastructure connected to the bulk electric system outside its jurisdiction, Yukon will review this exception in accordance with the principles set out in Article 102.

Any Existing Measures:

9. YUKON

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Manufacture of cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, B, C, D, E, F
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

The Yukon Liquor Corporation has the sole power and jurisdiction to, and is for all purposes under the *Financial Administration Act* authorized to, buy and import cannabis, within the meaning of the federal *Cannabis Act*, into Yukon.

This includes the sole power to: (a) establish stores for the retail sales of cannabis, and warehouses; (b) license the sale of cannabis under such terms and conditions as it deems appropriate; (c) determine the classes, varieties, and brands of cannabis to be sold at retail; and (d) contract for the provision of any services that the Yukon Liquor Corporation considers necessary for it to exercise and perform its duties and functions.

Yukon reserves the right to adopt or maintain measures involving discrimination in favour of Yukon cannabis producers and their production for the sub-sectors noted above.

Yukon reserves the right to adopt or maintain any measures limiting market access and right of entry and exit in the sub-sectors noted above.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis Control and Regulation Act, SY2018 c4, s 6, 9, 25 and 80
Cannabis Regulations, YOIC 2018/107
Cannabis Regulations, YOIC 2018/184, s 1, 5
Cannabis Regulations, YOIC 2019/43, s 14
Financial Administration Act, RSY2002 c87

Schedule of the Northwest Territories

Annex II

1. NORTHWEST TERRITORIES

Sector:	Business Services
Sub-Sector:	Services incidental to animal husbandry; services incidental to hunting
Industry Classification:	CPC 8812, 8813
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above.	
Any Existing Measures:	

2. NORTHWEST TERRITORIES

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); Manufacture of alcoholic beverages
Industry Classification:	CPC24 (other than 244), 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)
Description:	
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above.	
Any Existing Measures:	

3. NORTHWEST TERRITORIES

Sector:	Energy

Sub-Sector:	Electrical energy; transportation services via pipeline; services incidental to energy distribution
Industry Classification:	CPC 171, 713, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

4. NORTHWEST TERRITORIES

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; pipeline transport; services incidental to energy distribution
Industry Classification:	CPC 120
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access in the exploration, production, extraction, and development of crude petroleum or natural gas. The Northwest Territories reserves the right to adopt or maintain any measure granting exclusive rights to operate a distribution or transportation system, including, related pipeline and marine distribution and transport services. The Northwest Territories reserves the right to adopt or maintain any measure limiting right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

5. NORTHWEST TERRITORIES

Sector:	Fisheries
Sub-Sector:	Fish and other fishing products; wholesale trade of fishing products; services incidental to fishing
Industry Classification:	CPC 04, 62224, 882
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

6. NORTHWEST TERRITORIES

Sector:	Forestry
Sub-Sector:	Forestry and logging products; pulp and paperboard; forest resource processing; services incidental to agriculture, hunting and forestry; manufacture of paper and paper products, on a fee or contract basis
Industry Classification:	CPC 03, 321, 881 (other than rental of agricultural equipment with operator and 8814), 88430, 88441
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above.
Any Existing Measures:

7. NORTHWEST TERRITORIES

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Type of Exception:	All obligations under this Agreement, except Article 203 (Transparency)

Description:

Except for Article 203 (Transparency), a measure inconsistent with this Agreement may be adopted or maintained to address the unique circumstances occasioned by extreme climatic conditions, geographic isolation, or socioeconomic factors affecting least developed communities in the Northwest Territories;

A community is a “least developed community” if it:

(a) is more than 500 km from the border of a Census Metropolitan Area and more than 50 km from the border of a Census Agglomeration, as defined by Statistics Canada;

(b) does not have any of

(i) accessibility by an asphalt concrete road for more than six months of the year,

(ii) a deep-water port, or

(iii) rail access;

(c) has a population less than 5,000 people; and

(d) has an unemployment rate exceeding 10%.

Any Existing Measures:

8. NORTHWEST TERRITORIES

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Type of Exception:	All obligations under this Agreement, except Article 203 (Transparency), Article 307 (Market Access – Services), Article 308 (Licensing and Qualification Requirements and Procedures), Article 312 (Market Access – Investment), Article 320 (Prohibited Incentives), Chapter Five (Government Procurement), Chapter Six (Environmental Protection), Article 704.1(b) (Residency Requirements), and Article 705 (Certification of Workers).

Description:

This Agreement does not apply to any measure for regional economic development with the goal of encouraging job creation, economic growth or industrial competitiveness or in reducing economic disparities.

Regional economic development measures which provide benefits shall:

(a) be identified as regional economic development programs;

(b) specify eligibility criteria for or development priorities based on, but not limited to, such factors as geographic area, industrial sector, or population group;

(c) be generally available to recipients that meet the eligibility criteria; and

(d) identify performance or economic development objectives or targets that can be measured.

Regional economic development measures which require compliance based on the condition of a receipt or continued receipt of an advantage may be specific to industrial sector and persons, investors, or enterprises and shall:

(a) be identified as a regional economic development program or economic development agreement; and

(b) specify the measurable compliance requirements to be met on the condition of a receipt or continued receipt of an advantage.

Any Existing Measures:

9. NORTHWEST TERRITORIES

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Type of Exception:	Chapter Ten (Dispute Resolution), except Article 1000 (Cooperation) and Article 1003 (Consultations)

Description:

Except for Chapter Seven (Labour Mobility) and Article 320 (Prohibited Incentives), only Article 1000 (Cooperation) and Article 1003 (Consultations) of Chapter Ten (Dispute Resolution) shall apply to the Northwest Territories for failure of a regional, local, district or other form of municipal government, school board, publicly funded academic, health and social services entity, or non-governmental body or enterprise to comply with their obligations under this Agreement.

Any Existing Measures:

10. NORTHWEST TERRITORIES

Sector:	Electricity Transmission Service Providers and Trade in Electricity Transmission Services
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	All obligations

Description:

The Northwest Territories reserves the right to amend its exceptions set out in its Schedules in Part VII (Party Schedules) by listing exceptions to Section 2 of Annex 309, including any exceptions to providing open and non-discriminatory access by transmission service providers to transmission services. Any such amendment shall be effective on receipt by the Secretariat of written notice of the amendment from the Northwest Territories. This reservation will be in force until two years after the date on which the Northwest Territories has in place physical infrastructure connected to the bulk electric system outside the jurisdiction of the Northwest Territories.
Any Existing Measures:

11. NORTHWEST TERRITORIES

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Manufacture of cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E
Industry Classification:	A, B, C, D, E, F
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access - Services), Article 312 (Market Access - Investment)

Description:
The Northwest Territories reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above. The Northwest Territories reserves the right to adopt or maintain any measure contrary to Article 201, but only in favour of Northwest Territories cannabis producers and their production, in the sub-sectors noted above.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Cannabis Products Act, SNWT 2018, c.6

Schedule of Nunavut

Annex II

1. NUNAVUT

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	All obligations under this Agreement, except Article 203 (Transparency), Article 307 (Market Access – Services), Article 308 (Licensing and Qualification Requirements and Procedures), Article 312 (Market Access – Investment), Article 320 (Prohibited Incentives), Article 704.1(b) (Residency Requirements), Article 705 (Certification of Workers), and Chapters 5 (Government Procurement) and 6 (Environmental Protection)

Description:

Parties recognize that the Territory of Nunavut is subject to unique socioeconomic factors that have resulted in economic disparities between Nunavut and other Parties. This agreement shall not be interpreted to constrain the Government of Nunavut from implementing regional economic development policies that encourage long-term job creation, economic growth, industrial competitiveness and reducing economic disparities.

Regional economic development policies, whether a program or statute-based system, which provide benefits shall:

(a) be identified as a regional economic development program;

(b) specifies eligibility criteria for or development priorities based on, but not limited to, such factors as geographic area, industrial sector or population group;

(c) is generally available to recipients that meet the eligibility criteria; and

(d) meets economic development objectives or targets that can be measured.

Regional economic development policies or agreements, whether a program or statute-based system, which require compliance based on the condition of a receipt or continued receipt of an advantage may be specific to industrial sector and persons, investors, or enterprises and shall:

(a) be identified as a regional economic development program or partnership agreement; and

(b) specify the measurable compliance requirements to be met on the condition of a receipt or continued receipt of an advantage.

Any Existing Measures:

2. NUNAVUT

Sector: All Sectors

Sub-Sector: All sub sectors

Industry Classification:

Type of Exception: All obligations under this Agreement

Description:

Parties recognize that the Territory of Nunavut is subject to extreme geographic and climatic factors that limits the commercial viability of market-based solutions for certain sectors, industries, and geographic regions. Such factors can also raise the cost of providing services, transportation logistics, or mitigating negative social or environmental impacts from economic activity.

Where it is established that a measure adopted to address matters concerning extreme geographic or climatic factors is inconsistent with this Agreement, that measure is still permissible provided that:

(a) the purpose of the measure is to overcome extreme geographic or climatic factors;

(b) the measure is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between Parties; and

(c) the measure is not applied in a manner that creates a disguised restriction on trade.

Any Existing Measures:

3. NUNAVUT

Sector:	Animal Husbandry or Hunting
Sub-Sector:	All sub sectors
Industry Classification:	CPC 8812, 8813
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Nunavut reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub sectors listed above.

Any Existing Measures:

4. NUNAVUT

Sector:	Alcoholic Beverages
Sub-Sector:	Commission agents' services; wholesale trade services; retailing services (liquor, wine and beer, liquor wine and beer stores); manufacture of alcoholic beverages
Industry Classification:	CPC24 (other than 244), 62112, 62226, 63107
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Nunavut reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors noted above. Nunavut has the authority under the *Liquor Act,* RSNWT, 1988, c. L-9 to import, purchase, produce, distribute, supply, market, and sell alcoholic beverages in Nunavut and to conduct such activities through a territorial monopoly.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Liquor Act, RSNWT 1988, c L-9

5. NUNAVUT

Sector:	Fisheries
Sub-Sector:	Fish and other fishing products; wholesale trade of fishing products; services incidental to fishing
Industry Classification:	CPC 04, 62224, 882
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Nunavut reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors listed above.
Any Existing Measures:

6. NUNAVUT

Sector:	Energy

Sub-Sector:	Electrical energy, electricity distribution or control apparatus; services incidental to energy distribution
Industry Classification:	CPC 171, 887, 4621
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Nunavut reserves the right to adopt or maintain any measures limiting market access and right of entry and exit in the sub-sectors noted above. Nunavut maintains a monopoly on the production, generation, development, transmission, distribution, delivery, supply, and exportation of electricity and related services under the *Qulliq Energy Corporation Act*, RSNWT, 1988, c. N-2, s. 5.1.
Any Existing Measures:

7. NUNAVUT

Sector:	Energy
Sub-Sector:	Crude petroleum and natural gas; pipeline transport; services incidental to energy distribution
Industry Classification:	CPC 120, 713, 887
Type of Exception:	Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:
Nunavut reserves the right to adopt or maintain any measure limiting market access and right of entry and exit in the sub-sectors listed above. Nunavut also reserves the right to adopt or maintain any measure limiting market access related to oil and gas development.
Any Existing Measures:

8. NUNAVUT

Sector:	Transportation
Sub-Sector:	Freight transport by sea

Industry Classification:	CPC 7212
Type of Exception:	Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Nunavut reserves the right to adopt or maintain any discriminatory measure or any measure limiting market access in the sub-sectors listed above. Such measures would not interfere with federal shipping and navigation powers.

Any Existing Measures:

9. NUNAVUT

Sector:	All Sectors
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	Chapter Ten (Dispute Resolution), except Article 1000 (Cooperation) and Article 1003 (Consultations)

Description:

Except for Chapter Seven (Labour Mobility) and Article 320 (Prohibited Incentives), only Article 1000 (Cooperation) and Article 1003 (Consultations) of Chapter Ten (Dispute Resolution) shall apply to the Government of Nunavut for failure of a regional, local, district or other form of municipal government, school board, publicly funded academic, health and social services entity, or non-governmental body or enterprise to comply with their obligations under this Agreement.

Any Existing Measures:

10. NUNAVUT

Sector:	Energy (Oil and Gas)
Sub-Sector:	Crude petroleum and natural gas industries; services incidental to mining
Industry Classification:	CPC 120, 883
Type of Exception:	Article 313 (Performance Requirements)

Description:

The Minister must approve (or waive the requirement for) a “benefits 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. A benefits plan may be required to include provisions to ensure that disadvantaged natural persons or groups have access to training and employment opportunities and to enable those natural persons or groups or corporations owned or cooperatives operated by them to participate in the supply of goods and services used in a proposed work or activity referred to in the benefits plan.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Any measure implementing the Northwest Territories Oil and Gas Accord, including any implementing measure that applies to or is adopted by Nunavut as the successor territories to the former Northwest Territories.

11. NUNAVUT

Sector:	Electricity Transmission Service Providers and Trade in Electricity Transmission Services
Sub-Sector:	All Sub-Sectors
Industry Classification:	
Type of Exception:	All obligations

Description:
Nunavut reserves the right to amend its exceptions set out in its Schedules in Part VII (Party Schedules) by listing exceptions to Section 2 of Annex 309, including any exceptions to providing open and non-discriminatory access by transmission service providers to transmission services. Any such amendment shall be effective on receipt by the Secretariat of written notice of the amendment from Nunavut. This reservation will be in force until two years after the date on which Nunavut has in place physical infrastructure connected to the bulk electric system outside the jurisdiction of Nunavut.
Any Existing Measures: (Provided For Illustrative Purposes Only)
Qulliq Energy Corporation Act R.S.N.W.T. 1988,C.N-2

12. NUNAVUT

Sector:	Cannabis
Sub-Sector:	Cannabis; Services incidental to the production of cannabis plants; Manufacture of cannabis; Wholesale trade services, including on a fee or contract basis; Retailing services, including on a fee or contract basis; All other cannabis-related services not covered by B, C, D, and E; Cannabis accessories

Industry Classification:	A, B, C, D, E, F, G
Type of Exception:	Article 201 (Non-Discrimination), Article 301 (Right of Entry and Exit), Article 307 (Market Access – Services), Article 312 (Market Access – Investment)

Description:

Nunavut reserves the right to adopt or maintain any measure limiting market access, right of entry and exit in the sub-sectors noted above. Nunavut reserves the right to adopt discriminatory measures designed to support Nunavut businesses.

Nunavut has the authority under the *Cannabis Act* S.Nu. 2018, c.7, to import, purchase, produce, distribute, supply, market, and sell Cannabis in Nunavut and to conduct such activities through a territorial monopoly.

Any Existing Measures: (Provided For Illustrative Purposes Only)

Cannabis Act S.Nu. 2018, c.7