

ANNEX II

SCHEDULE OF CANADA

INTRODUCTORY NOTES

In the interpretation of an entry, all elements of the entry shall be considered. The **Description** element shall prevail over all other elements.

Sector:	Aboriginal Affairs
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Performance Requirements (Article 9.10) Senior Management and Boards of Directors (Article 9.11) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain a measure denying investors of and their investments, or service suppliers of a Party, any rights or preferences provided to aboriginal peoples.
Existing Measures:	<i>Constitution Act</i>, 1982, being Schedule B of the <i>Canada Act 1982</i> (U.K.), 1982, c. 11

Sector: All

Sub-Sector:

Obligations Concerned: National Treatment (Article 9.4)

Description: Investment

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

Sector:	Fisheries
Sub-Sector:	Fishing and services incidental to fishing
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4)
Description:	<u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain a 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.
Existing Measures:	<i>Coastal Fisheries Protection Act</i> , R.S.C. 1985, c. C-33 <i>Fisheries Act</i> , R.S.C 1985, c. F-14 Coastal Fisheries Protection Regulations, C.R.C. 1978, c. 413 Commercial Fisheries Licensing Policy Policy on Foreign Investment in the Canadian Fisheries Sector, 1985

Sector:	Government Finance
Sub-Sector:	Securities
Obligations Concerned:	National Treatment (Article 9.4)
Description:	<u>Investment</u> Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by nationals of a Party of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada or a Canadian regional government.
Existing Measures:	<i>Financial Administration Act</i> , R.S.C. 1985, c. F-11

Sector: Minority Affairs

Sub-Sector:

Obligations Concerned: National Treatment (Article 9.4 and Article 10.3)
Performance Requirements (Article 9.10)
Senior Management and Boards of Directors (Article 9.11)
Local Presence (Article 10.6)

Description: Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure conferring rights or privileges to a socially or economically disadvantaged minority.

Sector: Social Services

Sub-Sector:

Obligations Concerned: National Treatment (Article 9.4 and Article 10.3)
Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4)
Senior Management and Boards of Directors (Article 9.11)
Local Presence (Article 10.6)

Description: Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure for supplying public law enforcement and correctional services, as well as 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.

Sector:	Transportation
Sub-Sector:	Air transportation
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 10.4)
Description:	<u>Cross-Border Trade in Services</u> Canada reserves the right to selectively negotiate agreements or arrangements with other States, organisations of States, aeronautical authorities or service suppliers to recognise their accreditation of repair, overhaul and maintenance facilities and certification by such facilities of work performed on Canadian-registered aircraft and other related aeronautical products.

Sector:	Transportation
Sub-Sector:	Air transportation
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain a measure relating to the selling and marketing of air transportation services.

Sector:	Transportation
Sub-Sector:	Water transportation
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Performance Requirements (Article 9.10) Senior Management and Boards of Directors (Article 9.11) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. Canada reserves the right to adopt or maintain a measure relating to the investment in or supply of marine cabotage services, including: (a) the transportation of either goods or passengers by ship between points in the territory of Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and (b) the engaging by ship in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf. 2. This entry relates to, among other things, local presence requirements for service suppliers entitled to participate in these activities, criteria for the issuance of a temporary cabotage licence to foreign ships and limits on the number of cabotage licences issued to foreign ships. 3. For greater certainty, this entry applies, <i>inter alia</i>, to

feeder services.

Existing Measures:

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

Canada Shipping Act, 2001, S.C. 2001, c. 26

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

Customs and Excise Offshore Application Act, R.S.C. 1985,
c. C-53

Sector: Transportation

Sub-Sector: Water transportation

Obligations Concerned: Most-Favoured-Nation Treatment (Article 10.4)

Description: Cross-Border Trade in Services

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

Sector: All

Sub-Sector:

Obligations Concerned: Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4)

Description: Investment and Cross-Border Trade in Services

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

2. Canada reserves the right to adopt or maintain a measure that accords differential treatment to countries under any bilateral or multilateral agreement in force or signed after the date of entry into force of this Agreement involving:

- (a) aviation;
- (b) fisheries; or
- (c) maritime matters, including salvage.

Sector:	Transportation
Sub-Sector:	Water transportation
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Performance Requirements (Article 9.10) Senior Management and Boards of Directors (Article 9.11) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. Canada reserves the right to adopt or maintain a measure denying service suppliers or investors of the United States, or their investments, the benefits accorded to service suppliers or investors of any other country, or their investments, in sectors or activities equivalent to those subject to the entry at Annex II – United States – 5. 2. Canada reserves the right to adopt or maintain a measure relating to maritime transport, including maritime auxiliary services and access to and use of port services, in respect of any other Party only when Canadian maritime interests have been prejudiced by that Party. 3. Paragraph 2 does not apply to the following Parties: Australia, Brunei Darussalam, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam.

Sector:	Water Transportation
Sub-Sector:	Technical testing and analysis services
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 9.5) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> Canada reserves the right to adopt or maintain a measure relating to the recognition of a person, classification society or organisation authorised to carry out statutory inspections and certification of ships on behalf of Canada. For greater certainty, only a person, classification society or other organisation authorised by Canada, and having a local presence in Canada, may carry out statutory inspections and issue Canadian Maritime Documents to Canadian registered ships and their equipment on behalf of Canada.

Sector: Cultural Industries

Sub-Sector:

Obligations Concerned: National Treatment (Article 9.4 and Article 10.3)
Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4)
Performance Requirements (Article 9.10)
Senior Management and Boards of Directors (Article 9.11)
Local Presence (Article 10.6)

Description: Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure that affects cultural industries and that has the objective of supporting, directly or indirectly, the creation, development or accessibility of Canadian artistic expression or content, except:

- (a) discriminatory requirements on service suppliers or investors to make financial contributions for Canadian content development; and
- (b) measures restricting the access to on-line foreign audio-visual content.

For the purpose of this entry, “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) radiocommunications 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.

Sector: All

Sub-Sector:

Obligations Concerned: Market Access (Article 10.5)

Description: Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure that is not inconsistent with:

- (a) Canada's obligations under Article XVI of GATS¹; and
- (b) Canada's Schedule of Specific Commitments under the GATS (GATS/SC/16, GATS/SC/16/Suppl.1, GATS/SC/16/Suppl.1/Rev.1, GATS/SC/16/Suppl.2, GATS/SC/16/Suppl.2/Rev.1, GATS/SC/16/Suppl.3, GATS/SC/16/Suppl.4 and GATS/SC/16/Suppl.4/Rev.1).

For greater certainty, this entry applies to measures adopted or maintained that affect the supply of a service by a covered investment pursuant to Article 10.5 (Market Access). For purposes of this entry only, Canada's Schedule of Specific Commitments is modified as indicated in Appendix II.

¹ For greater certainty, this includes obligations resulting from future amendments to Canada's Schedule to Article XVI of GATS.

Sector: All

Sub-Sector:

Obligations Concerned: National Treatment (Article 9.4)
Senior Management and Boards of Directors (Article 9.11)

Description: Investment

1. Canada or a province or territory, when selling or disposing of its equity interests in, or the assets of, an existing government enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of such interests or assets and on the ability of owners of such interests or assets to control a resulting enterprise by investors of a Party or of a non-Party or their investments. With respect to such a sale or other disposition, Canada or a province or territory may adopt or maintain a measure relating to the nationality of senior management or members of the board of directors.
2. For purposes of this entry:
 - (a) a measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes a nationality requirement described in this entry is an existing measure subject to paragraphs 1, 4, 5 and 6 of Article 9.12 (Non-Conforming Measures) and paragraph 1 of Article 10.7 (Non-Conforming Measures); and
 - (b) “government enterprise” means an enterprise owned or controlled through ownership interests by Canada or a province or territory, and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing State enterprise or governmental entity².

² For transparency purposes, entities that fall within the scope of this entry include, among others, Crown corporations at the central level of government listed under Schedule III of the *Financial Administration Act*

Sector:	Air Services
Sub-Sector:	Ground handling
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Performance Requirements (Article 9.10) Senior Management and Boards of Directors (Article 9.11) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> <i>Investment:</i> Canada reserves the right to adopt or maintain a measure relating to ground handling by airlines (including self-handling or third-party handling) or by investors of another Party. <i>Cross-Border Trade in Services:</i> Canada reserves the right to adopt or maintain a measure relating to the supply of ground handling services, as defined in Article 10.1 (Definitions), for the purpose of Chapter 10 (Cross-Border Trade in Services). For greater certainty, this entry does not affect Canada's rights and obligations under any bilateral air transportation agreement between Canada and any of the other Parties.

(R.S.C. 1985, c. F-11).

Sector:	Transportation
Sub-Sector:	Air services
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Performance Requirements (Article 9.10) Senior Management and Boards of Directors (Article 9.11) Local Presence (Article 10.6)
Description:	<u>Investment and Cross-Border Trade in Services</u> <i>Investment:</i> Canada reserves the right to adopt or maintain a measure with respect to investment in or operation of airports. <i>Cross-Border Trade in Services:</i> Canada reserves the right to adopt or maintain a measure relating to the supply of airport operation services, as defined in Article 10.1 (Definitions), for the purpose of Chapter 10 (Cross-Border Trade in Services).

Appendix II

For the following Sectors, Canada's obligations under Article XVI of GATS are improved as described.

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing and Book-keeping services	Under Mode 1 remove: <u>Auditing</u> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario. Under Mode 2 remove: <u>Auditing</u> - Commercial presence requirement: Nova Scotia. - Citizenship requirement for accreditation: Manitoba and Quebec. - Permanent residence requirement for accreditation: Ontario.
Architectural services	Under Mode 1 remove: <u>Architects</u> - Citizenship requirement for accreditation: Quebec.
Engineering services	Under Mode 1 remove: <u>Consulting Engineers</u> - Commercial presence requirement for accreditation: Manitoba. <u>Engineers</u> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. Under Mode 2 remove: <u>Consulting Engineers</u> - Commercial presence requirement for accreditation: Manitoba.

	<u>Engineers</u> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.
Integrated engineering services	Under Mode 1 remove: <u>Consulting Engineers</u> - Commercial presence requirement for accreditation: Manitoba. <u>Engineers</u> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec. Under Mode 2 remove: <u>Consulting Engineers</u> - Commercial presence requirement for accreditation: Manitoba. <u>Engineers</u> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia. - Citizenship requirement for accreditation: Quebec.
Urban planning and landscape architectural services	Under Mode 1 remove: <u>Community/ Urban Planning</u> - Citizenship requirement for use of title: Quebec.
Real estate services	Under Mode 1 remove: <u>Chartered Appraisers</u> - Citizenship requirement for use of title: Quebec.
Management consulting services	Under Mode 1 remove: <u>Agrologists</u> - Citizenship requirement for accreditation: Quebec. <u>Professional Administrators and Certified Management Consultants</u> - Citizenship requirement for use of title: Quebec Professional Corporation of Administrators.

	<u>Industrial Relations Counsellors</u> - Citizenship requirement for use of title: Quebec. Under Mode 2 remove: <u>Agrologists</u> - Citizenship requirement for accreditation: Quebec.
Investigation and security services	Under Mode 3 remove: <u>Business and Personnel Information Investigations</u> - Foreign ownership restriction to 25 per cent in total and 10 per cent by any individual holding shares: Ontario.
Related scientific and technical consulting services	Under Mode 1 remove: <u>Land Surveyors</u> - Citizenship requirement for accreditation: Nova Scotia and Quebec. <u>Subsurface Surveying Services</u> - Citizenship requirement for accreditation: Quebec. <u>Professional Technologist</u> - Citizenship requirement for accreditation: Quebec. <u>Chemists</u> - Citizenship requirement for accreditation: Quebec. Under Mode 2 remove: <u>Land Surveyors</u> - Citizenship requirement for accreditation: Nova Scotia and Quebec. <u>Subsurface Surveying Services</u> - Citizenship requirement for accreditation: Quebec.
Other business services	Under Mode 1 remove: <u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec. Under Mode 2 remove: <u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec.

	Under Mode 3 remove: <u>Collection Agencies</u> - Foreign Ownership restriction to 25 per cent in total and 10 per cent by any individual: Ontario.
Courier services	Under Mode 3 remove: - Economic needs test (Criteria related to approval include: 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 supply proper service.): Nova Scotia and Manitoba.
General construction work for civil engineering	Under Mode 3 remove: <u>Construction</u> - An applicant and holder of a water power site development permit must be incorporated in Ontario.
Wholesale trade services	Under Mode 1, remove: Marketing of Fish Products (Nova Scotia): Nova Scotia residents require ministerial approval to enter into agreements with non-residents.
Railway passenger and freight transport	Under Mode 1, remove: - cabotage limitation
Road Passenger Transportation	Under Mode 3 remove: <u>Interurban bus transport and scheduled services:</u> - Public convenience and needs test (Criteria related to approval include: 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 supply proper service.): Prince Edward Island.
Road Freight transportation	Under Mode 3 remove: <u>Highway freight transportation</u>

	- Public convenience and needs test (Criteria related to approval include: 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 supply proper service.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia.
Telecommunications	Under Mode 3 remove: Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.