

ANNEX II**Headnote****Reservations for future measures**

1. The Schedule of a Party to this Annex sets out, under Articles 8.15 (Reservations and exceptions), 9.7 (Reservations), 14.4 (Reservations), and, for the European Union, Article 13.10 (Reservations and exceptions), the reservations taken by that Party with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (a) Articles 8.6 (National treatment), 9.3 (National treatment) or, for the European Union, Article 13.3 (National treatment);
 - (b) Articles 8.7 (Most-favoured-nation treatment), 9.5 (Most-Favoured-nation treatment) or, for the European Union, Article 13.4 (Most-favoured-nation treatment);
 - (c) Articles 8.4 (Market access), 9.6 (Market access) or, for the European Union, Article 13.6 (Market access);
 - (d) Article 8.5 (Performance requirements);

- (e) Article 8.8 (Senior management and boards of directors) or, for the European Union, Article 13.8 (Senior management and boards of directors);
 - (f) for the European Union, Article 13.7 (Cross-border supply of financial services); or
 - (g) Article 14.3 (Obligations).
2. The reservations of a Party are without prejudice to the rights and obligations of the Parties under the GATS.
3. Each reservation sets out the following elements:
- (a) **Sector** refers to the general sector in which the reservation is taken;
 - (b) **Sub-Sector** refers to the specific sector in which the reservation is taken;
 - (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to the CPC, ISIC rev 3.1, or as expressly otherwise described in a Party's reservation;
 - (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
 - (e) **Description** sets out the scope of the sector, sub-sector or activities covered by the reservation; and

- (f) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.
4. In interpreting a reservation, all elements of the reservation shall be considered. The **Description** element shall prevail over all other elements.
 5. A reservation taken at the level of the European Union applies to a measure of a Member State of the European Union at the national level as well as a measure of a government within a Member State of the European Union, unless the reservation excludes a Member State of the European Union. A reservation taken by Canada at the national level of government or by a Member State of the European Union applies to a measure of a government at the regional, provincial, territorial or local level within that country.
 6. Where a Party maintains a measure that requires that a service supplier be a natural person, citizen, permanent resident or resident of its territory as a condition to the supply of a service in its territory, a reservation for that measure taken with respect to cross-border trade in services shall operate as a reservation with respect to investment, to the extent of that measure.
 7. A reservation for a measure that requires a service supplier be a natural person, citizen, permanent resident, or resident of its territory as a condition to the supply of a financial service in its territory taken with respect to Article 13.7 (Cross-border supply of financial services) shall operate as a reservation with respect to Articles 13.3 (National treatment), 13.4 (Most-favoured-nation treatment), 13.6 (Market access), and 13.8 (Senior management and boards of directors), to the extent of that measure

8. For the purposes of this Annex including each Party's Schedule to this Annex:

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

9. The following abbreviations are used in the European Union's Schedule to this Annex:

AT Austria
BE Belgium
BG Bulgaria
CY Cyprus
CZ Czech Republic
DE Germany
DK Denmark
EU European Union, including all its Member States
ES Spain
EE Estonia
FI Finland
FR France
EL Greece
HR Croatia
HU Hungary
IE Ireland
IT Italy
LV Latvia
LT Lithuania
LU Luxembourg

MT Malta
NL Netherlands
PL Poland
PT Portugal
RO Romania
SK Slovakia
SI Slovenia
SE Sweden
UK United Kingdom

Schedule of Canada
Reservations applicable in Canada
(applicable in all Provinces and Territories)

Reservation II-C-1

Sector:	Aboriginal affairs
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market access National treatment Most-favoured-nation treatment Performance requirements Senior management and boards of directors
Description:	Investment and Cross-Border Trade in Services Canada reserves the right to adopt or maintain a measure denying investors of the European Union and their investments, or service suppliers of the European Union, rights or preferences provided to aboriginal peoples.
Existing Measures:	<i>Constitution Act, 1982</i> , being Schedule B to the <i>Canada Act 1982</i> (U.K.), 1982, c. 11

Reservation II-C-2

Sector: Agriculture

Sub-Sector:

Industry Classification:

Type of Reservation: Market access

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

Canada reserves the right to adopt or maintain a measure related to collective marketing arrangements for agricultural goods which includes 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.

Existing Measures:

Reservation II-C-3

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National treatment
Senior management and boards of directors

Description: **Investment**

1. British Columbia, New Brunswick, Nova Scotia, Nunavut, Prince Edward Island, Quebec, The Northwest Territories, and Yukon, reserve the right to adopt or maintain a measure relating to an enterprise of Canada that is a covered investment that requires 25 per cent or less of the board of directors, or any committee thereof, be of a particular nationality. An amendment to a measure referred to above must not decrease the conformity of the measure, as it existed immediately before the amendment, with the obligations set out in Chapter Eight (Investment).
2. Canada reserves the right to adopt or maintain a measure requiring that up to 50 per cent of the board of directors of an enterprise that is a covered investment be ordinarily resident in Canada. A granting of residency to a national of the European Union who is an appointee to a board of directors of an enterprise that is a covered investment will be conducted in accordance with Canadian law relating to the entry of foreign nationals. However, a national of the European Union shall not be subject to an economic needs test solely for the purpose of the appointment to the board of directors.

Existing Measures:

Reservation II-C-4

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Market access
National treatment

Description: **Investment**

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

Existing Measures:

Reservation II-C-5

Sector:	Fisheries
Sub-Sector:	Fishing and services incidental to fishing
Industry Classification:	CPC 04, 882
Type of Reservation:	Market access National treatment Most-favoured nation treatment
Description:	Investment and Cross-Border Trade in Services <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a measure with respect to collective marketing and trading arrangements for fish and seafood products, and licencing 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 any services therein.2. Canada shall endeavour to accord to vessels entitled to fly the flag of a Member State of the European Union treatment no less favourable than the treatment it accords, in like situations, to vessels entitled to fly the flag of any other foreign State.
Existing Measures:	<i>Fisheries Act</i> , R.S.C. 1985, c. F-14 <i>Coastal Fisheries Protection Act</i> , R.S.C. 1985, c. C-33 <i>Coastal Fisheries Protection Regulations</i> , C.R.C. 1978, c. 413 <i>Commercial Fisheries Licensing Policy</i> <i>Policy on Foreign Investment in the Canadian Fisheries Sector</i> , 1985 <i>Freshwater Fish Marketing Act</i> , R.S.C. 1985, c. F-13

Reservation II-C-6

Sector:	Financial services
Sub-Sector:	Services related to security markets
Industry Classification:	CPC 8132
Type of Reservation:	Market access National treatment
Description:	Investment Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by nationals of the European Union of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada or a Canadian sub-national government.
Existing Measures:	<i>Financial Administration Act, R.S.C. 1985, c. F-11</i>

Reservation II-C-7

Sector:	Food, beverage and drug industries
Sub-Sector:	Liquor, wine and beer stores
Industry Classification:	CPC 241, 242, 243, 62112, 62226, 63107
Type of Reservation:	Market access
Description:	Investment and Cross-Border Trade in Services The <i>Importation of Intoxicating Liquors Act</i> gives each provincial government an import monopoly on intoxicating liquors entering its territory.
Existing Measures:	<i>Importation of Intoxicating Liquors Act</i> , R.S.C. 1985, c. I-3

Reservation II-C-8

Sector:	Minority affairs
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market access National treatment Performance requirements Senior management and boards of directors
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.
Existing Measures:	

Reservation II-C-9

Sector: Social services

Sub-Sector:

Industry Classification:

Type of Reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Description:

Investment and Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure with respect to the supply of 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.

Existing Measures:

Reservation II-C-10

Sector: Social services

Sub-Sector:

Industry Classification:

Type of Reservation: Market access

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

1. Canada reserves the right to adopt or maintain a measure with respect to the supply of social services not otherwise reserved under its Reservation II-C-9 in respect of social services.
2. This reservation shall not extend to the adoption of a new measure imposing limitations on the participation of foreign capital in the supply of such social services.

Existing Measures:

Reservation II-C-11

Sector:	Collection, purification and distribution of water
Sub-Sector:	
Industry Classification:	
Type of Reservation:	Market access National treatment
Description:	Investment and Cross-Border Trade in Services Canada reserves the right to adopt or maintain a measure with respect to the collection, purification and distribution of water.
Existing Measures:	

Reservation II-C-12

Sector:	Transport
Sub-Sector:	Transportation services <i>via</i> pipeline
Industry Classification:	CPC 713
Type of Reservation:	Market access
Description:	Investment and Cross-Border Trade in Services Canada reserves the right to adopt or maintain a measure with respect to the issuance of certificates for the pipeline transportation of fuels.
Existing Measures:	<i>National Energy Board Act</i> , R.S.C. 1985, c. N-7

Reservation II-C-13

Sector:	Transport
Sub-Sector:	Selling and marketing of air transport services, as defined in Articles 8.1 (Definitions) and 9.1 (Definitions)
Industry Classification:	Defined in Articles 8.1 (Definitions) and 9.1 (Definitions)
Type of Reservation:	Market access National treatment Most-favoured-nation treatment
Description:	Investment and Cross-Border Trade in Services <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a measure relating to the selling and marketing of air transportation services.2. For greater certainty, this reservation does not affect Canada's rights and obligations under the <i>Agreement on Air Transport Between Canada and the European Community and its Member States</i>, done at Brussels on 17 December 2009 and Ottawa on 18 December 2009.
Existing Measures:	

Reservation II-C-14

Sector:	Transport
Sub-Sector:	Construction work for waterways, harbours, dams and other water works Transportation services by sea-going or non-sea-going vessels Supporting and other services for water transport Any other marine activity of a commercial nature undertaken by or from a vessel as set out in the Description element below
Industry Classification:	CPC 5133, 5223, 721, 722, 745, any other marine activity of a commercial nature undertaken by or from a vessel
Type of Reservation:	Market access National treatment Most-favoured-nation treatment Performance requirements Senior management and boards of directors Obligations
Description:	Investment, Cross-Border Trade in Services, and International Maritime Transport Services 1. Canada reserves the right to adopt or maintain a measure affecting the investment in or supply of marine cabotage services, including: (a) the transportation of goods or passengers by vessel between points in the territory of Canada or above the continental shelf of Canada, directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of 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 vessel in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.
- 2. This reservation relates to, among other things, limitations and conditions for services suppliers entitled to participate in these activities, to criteria for the issuance of a temporary cabotage licence to foreign vessels, and to limits on the number of cabotage licences issued to foreign vessels.
- 3. For greater certainty, this reservation applies, among other things, to marine activities of a commercial nature undertaken by or from a vessel, including feeder services and repositioning of empty containers.
- 4. This reservation does not apply to a measure relating to the investment in or the supply of the following marine cabotage services undertaken from a vessel operated by an enterprise of the European Union, or a vessel operated by an enterprise of a third country¹ owned or controlled by a national of the European Union if that vessel is registered in accordance with the laws of a Member State of the European Union and is flying the flag of a Member State of the European Union:
 - (a) repositioning owned or leased empty containers on a non-revenue basis;

¹ Canada reserves the right to not extend these benefits to enterprises of the United States of America.

- (b)
 - (i) continuous pre or onward transport of international cargo between the Port of Halifax and the Port of Montreal, and between the Port of Montreal and the Port of Halifax, using vessels registered on the first (national) registries referred to in paragraph 1 of the Annex to Commission communication C(2004) 43 – Community guidelines on State Aid to maritime transport; and
 - (ii) pre or onward transport of international containerised cargo between the Port of Halifax and the Port of Montreal, and between the Port of Montreal and the Port of Halifax, as a single voyage concurrent to an international leg, using vessels registered on the first (national) or second (international) registries referred to in paragraphs 1, 2, and 4 of the Annex to Commission communication C(2004) 43 – Community guidelines on State Aid to maritime transport; or
- (c) dredging.

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 (2d Supp.), c. 1

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

Reservation II-C-15

Sector:	Transport
Sub-Sector:	Transport services by sea-going or non-sea-going vessels Supporting services for water transport Any other marine activity of a commercial nature undertaken from a vessel in waters of mutual interest
Industry Classification:	CPC 721, 722, 745, any other marine activity of a commercial nature undertaken from a vessel
Type of Reservation:	Most-favoured-nation treatment Obligations
Description:	Cross-Border Trade in Services and International Maritime Transport 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 areas such 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.
Existing Measures:	

Reservation II-C-16

Sector: Transport

Sub-Sector:

Industry Classification: CPC 07

Type of Reservation: Market access

Description: **Investment**

Canada reserves the right to adopt or maintain a measure relating to the number or type of legal entity which manages or operates transportation infrastructure owned or controlled by Canada.

Existing Measures:

Reservation II-C-17

Sector:	Transport
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:	<p>CPC 07, 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:</p> <p>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) Computer reservation system services as defined in Articles 8.1 (Definitions) and 9.1 (Definitions) Aircraft repair and maintenance services as defined Articles 8.1 (Definitions) and Article 9.1 (Definitions) Maritime container station and depot services, maritime agency services, maritime freight forwarding services as defined in Article 14.1 (Definitions)</p>
Type of Reservation:	<p>Market access Obligations</p>
Description:	<p>Investment, Cross-Border Trade in Services, and International Maritime Transport Services</p> <p>Canada reserves the right to adopt or maintain a measure related to the designation, establishment, expansion, or operation of monopolies or exclusive service suppliers in the transportation sector.</p>
Existing Measures:	

Reservation II-C-18

Sector:	Transport
Sub-Sector:	Supporting and auxiliary transport services Ground handling services as defined in Articles 8.1 (Definitions) and 9.1 (Definitions)
Industry Classification:	CPC 74, ground handling services as defined in Articles 8.1 (Definitions) and 9.1 (Definitions)
Type of Reservation:	Market access
Description:	Investment <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a measure limiting the number of suppliers of certain supporting and auxiliary transport services related to: the handling of passengers, freight, cargo (including mail) and transportation conveyances that support transportation carriers, at airports, where physical or operational constraints arise primarily as a result of safety or security considerations.2. For greater certainty, in the case of ground handling services, this reservation does not affect Canada's rights and obligations under the <i>Agreement on Air Transport Between Canada and the European Community and its Member States</i>, done at Brussels on 17 December 2009 and Ottawa on 18 December 2009.
Existing Measures:	

Reservation II-C-19

Sector:	Business services
Sub-Sector:	Technical testing and analysis services
Industry Classification:	CPC 8676
Type of Reservation:	Market access
Description:	Investment and Cross-Border Trade in Services <ol style="list-style-type: none">1. Canada reserves the right to adopt or maintain a measure affecting the statutory inspection and certification of vessels on behalf of Canada.2. For greater certainty, only a person, classification society or other organisation authorised by Canada may carry out statutory inspections and issue Canadian Maritime Documents to Canadian registered vessels and their equipment on behalf of Canada.
Existing Measures:	

Reservation II-C-20

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Most-favoured-nation treatment

Description: **Investment**

1. Canada reserves the right to adopt or maintain a measure that accords differential treatment under any bilateral or multilateral international agreement in force or signed prior to January 1, 1994.
2. Canada reserves the right to adopt or maintain a measure that accords differential treatment pursuant to an existing or future bilateral or multilateral agreement relating to:
 - (a) aviation;
 - (b) fisheries; or
 - (c) maritime matters, including salvage.

Existing Measures:

