

ANNEX II

Reservations for Future Measures

Schedule of Canada – Explanatory Notes

1. Canada's Schedule to this Annex sets out, pursuant to Articles 8.9.2 and 9.6.2, the specific sectors, sub-sectors, or activities for which Canada may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Article 8.3 (National Treatment) or 9.2 (National Treatment);
- (b) Article 8.4 (Most-Favoured-Nation Treatment) or 9.3 (Most-Favoured-Nation Treatment);
- (c) Article 8.7 (Senior Management and Boards of Directors);
- (d) Article 8.8 (Performance Requirements);
- (e) Article 9.4 (Market Access); or
- (f) Article 9.5 (Local Presence).

2. Each reservation sets out the following elements:

- (a) **Sector** refers to the general sector in which the reservation is taken;
- (b) **Sub-sector** refers, where applicable, 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 domestic industry classification codes;
- (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.

3. In accordance with Articles 8.9.2 and 9.6.2, the Articles of this Agreement specified in the **Type of Reservation** element of a reservation do not apply to the sectors, sub-sectors, and activities identified in the **Description** element of that reservation.

4. In the interpretation of a reservation, all elements of the reservation, with the exception of Industry Classification, shall be considered. The **Description** element shall prevail over all other elements.

5. For the purposes of this Annex:

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

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

6. For greater certainty, National Treatment (Article 9.2) and Local Presence (Article 9.5) are separate disciplines and a measure that is only inconsistent with Local Presence (Article 9.5) need not be reserved against National Treatment (Article 9.2).

ANNEX II

Schedule of Canada

Sector:	Aboriginal Affairs
Sub-sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Local Presence (Article 9.5) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure denying investors of Korea and their investments, or service providers of Korea, rights or preferences provided to aboriginal peoples.
Existing Measure:	<i>Constitution Act, 1982</i> , being Schedule B of the <i>Canada Act 1982 (U.K.)</i> , 1982, c. 11

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment (Article 8.3)

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 Korea, or their investments.

Existing Measures:

Sector:	Fisheries
Sub-sector:	Fishing and services incidental to fishing
Industry Classification:	SIC 031 Fishing Industry SIC 032 Services Incidental to Fishing CPC 882 Services Incidental to Fishing
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Description:	Cross-Border Trade in Services and Investment 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 any services therein.
Existing Measures:	<i>Fisheries Act</i> , R.S.C. 1985, c. F-14 <i>Coastal Fisheries Protection Act</i> , R.S.C. 1985, 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

Sector:	Government Finance
Sub-sector:	Securities
Industry Classification:	SIC 8152 Finance and Economic Administration
Type of Reservation:	National Treatment (Article 8.3)
Description:	Investment Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by nationals of Korea of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada or a Canadian sub-national government.
Existing Measure:	<i>Financial Administration Act</i> , R.S.C. 1985, c. F-11

Sector: Minority Affairs

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 8.3 and 9.2)

Local Presence (Article 9.5)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

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

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

Existing Measures:

Sector:	Social Services
Sub-sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Local Presence (Article 9.5) Senior Management and Boards of Directors (Article 8.7)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure with respect to providing 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:	

Sector:	Transportation
Sub-sector:	Air Transportation
Industry Classification:	Not CPC-defined, rather aircraft repair and maintenance services, as defined in the Cross-Border Trade in Services Chapter
Type of Reservation:	Most-Favoured-Nation Treatment (Article 9.3)
Description:	Cross-Border Trade in Services Canada reserves the right to selectively negotiate agreements or arrangements with other States, organisations of States, aeronautical authorities or service providers, 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.
Existing Measures:	

Sector:	Transportation
Sub-sector:	Air Transportation
Industry Classification:	Not CPC-defined, rather selling and marketing of air transport services, as defined in the Cross-Border Trade in Services Chapter
Type of Reservation:	National Treatment (Article 9.2) Most-Favoured-Nation Treatment (Article 9.3) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services Canada reserves the right to adopt or maintain a measure affecting the selling and marketing of an air transportation service.
Existing Measures:	

Sector:	Transportation
Sub-sector:	Water Transportation
Industry Classification:	<p>SIC 4129 Other Heavy Construction</p> <p>SIC 4541 Freight and Passenger Water Transport Industry</p> <p>SIC 4542 Ferry Industry</p> <p>SIC 4543 Marine Towing Industry</p> <p>SIC 4549 Other Water Transport Industries</p> <p>SIC 4552 Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)</p> <p>SIC 4553 Marine Salvage Industry</p> <p>SIC 4554 Piloting Service, Water Transport Industry</p> <p>SIC 4559 Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)</p> <p>CPC 5133/5223 Construction work for waterways, harbours, dams and other water works</p> <p>CPC 721 Transportation services by sea-going vessels</p> <p>CPC 722 Transportation services by non-sea-going vessels</p> <p>CPC 745 Supporting services for water transport</p> <p>Other marine activities of a commercial nature, as set out in the Description section below</p>

Type of Reservation: National Treatment (Articles 8.3 and 9.2)

Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)

Local Presence (Article 9.5)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

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

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

- (a) the transportation of either goods or passengers by vessel 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 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.

This reservation relates to, among other things, local presence requirements for service providers 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.

For greater certainty this reservation applies, *inter alia*, 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
Industry Classification:	<p>SIC 4541 Freight and Passenger Water Transport Industry</p> <p>SIC 4542 Ferry Industry</p> <p>SIC 4543 Marine Towing Industry</p> <p>SIC 4549 Other Water Transport Industries</p> <p>SIC 4551 Marine Cargo Handling Industry</p> <p>SIC 4552 Harbour and Port Operation Industries</p> <p>SIC 4553 Marine Salvage Industry</p> <p>SIC 4554 Piloting Service, Water Transport Industry</p> <p>SIC 4559 Other Service Industries Incidental to Water Transport</p> <p>CPC 721 Transport services by sea-going vessels</p> <p>CPC 722 Transport services by non-sea-going vessels</p> <p>CPC 745 Supporting services for water transport</p> <p>Any other marine activity of a commercial nature in waters of mutual interest</p>
Type of Reservation:	Most-Favoured-Nation Treatment (Article 9.3)

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

Canada reserves the right to adopt or maintain a measure affecting 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:

Sector:	Technical Testing and Analysis Services
Sub-sector:	Maritime Technical Testing and Analysis Services
Industry Classification:	CPC 8676 Technical Testing and Analysis Services
Type of Reservation:	Local Presence (Article 9.5) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure affecting the statutory inspection and certification of vessels on behalf of Canada.

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 8.4)

Description: **Investment**

Canada reserves the right to adopt or maintain a measure that accords differential treatment to countries under a bilateral or multilateral international agreement in force or signed prior to 1 January 1994.

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

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

Existing Measures:

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: Market Access (Article 9.4)

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

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

For purposes of this reservation only, Canada's Schedule of Specific Commitments is modified as indicated in Appendix II-A.

Existing Measures:

Appendix II-A

Canadian Sectors Covered by Article XVI of the GATS

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

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing, and Book-keeping services	<p>Under Mode 1 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia - Citizenship requirement for accreditation: Manitoba and Quebec - Permanent residence requirement for accreditation: Ontario <p>Under Mode 2 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia - Citizenship requirement for accreditation: Manitoba and Quebec - Permanent residence requirement for accreditation: Ontario
Architectural services	<p>Under Mode 1 remove:</p> <p><u>Architects</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec
Engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec

Sector/Sub-sector	Market Access Improvements
	<p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec
Integrated engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec
Urban planning and landscape architectural services	<p>Under Mode 1 remove:</p> <p><u>Community/ Urban Planning</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec
Real estate services	<p>Under Mode 1 remove:</p> <p><u>Chartered Appraisers</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec

Sector/Sub-sector	Market Access Improvements
Management consulting services	<p>Under Mode 1 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Professional Administrators and Certified Management Consultants</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec <p>Professional Corporation of Administrators</p> <p><u>Industrial Relations Counsellors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec <p>Under Mode 2 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec
Investigation and security services	<p>Under Mode 3 remove:</p> <p><u>Business and Personnel Information Investigations</u></p> <ul style="list-style-type: none"> - Foreign ownership restriction to 25% in total and 10% by any individual holding shares: Ontario
Related scientific and technical consulting services	<p>Under Mode 1 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec <p><u>Subsurface Surveying Services</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Professional Technologist</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Chemists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p>Under Mode 2 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec

Sector/Sub-sector	Market Access Improvements
	<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% in total and 10% 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 provide 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

Sector/Sub-sector	Market Access Improvements
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 provide 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 provide 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.