# Canada

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| **Canada’s Bogor Goals Progress Report (as at 3 September 2018)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* Low simple average MFN tariffs. Tariffs were unilaterally eliminated for agricultural food inputs in 2017.
* Tariff rate quotas are still applied for certain agricultural products.
* Some content quotas have been removed on radio and television, but still various local content requirements apply.
* Amendments were made to Canada’s foreign investment act to facilitate foreign investments. Thresholds for mandatory review of proposed investments has been increased.
* Board and ownership restrictions for foreign investors are kept in a number of sectors.
* Strengthened international collaboration on standards at the bilateral, regional and multilateral level.
* Initiatives to modernize ports of entry have been put in place to make cross-border shipments easier and faster.
* Expansion of geographical indications and extension of IP border enforcement measures to protect geographical indications.
* Implemented the Marrakesh Treaty to facilitate access of materials for people with visual impairment or other perceptual disabilities. Amendments to Patented Medicines (Note of Compliance) Regulations to strike a balance between patent enforcement of new drugs and access to generic drugs.
* Increased competition in the telecommunication industry and increase in threshold for pre-merger notifications.
* Ratification the United Nations Convention on Transparency in Treaty-Based Investor Trade Arbitration.
* The Global Talent Stream initiative fast tracks highly-skilled applicants to obtain work permits.

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|   | **Summary of Topics** |

Tariffs

Based on the Harmonized System (HS) nomenclature at the 6 digit level, Canada’s simple average MFN tariff in 2016 is low at 4.1%. Canada has eliminated all tariffs on machinery and equipment, and industrial manufacturing inputs. In the same way, MFN tariffs were unilaterally eliminated in 2017 for several agricultural food inputs, including several fruits, vegetables, grains, spices, fats and oils, among others.

Canada maintains a supply management system on some food products, namely dairy, chicken, turkey and eggs, with the intention of avoiding costly surpluses or shortages. Imports of those products are subject to the application of tariff rate quotas.

Non-Tariff Measures

The Canadian government in 2018 launched an online webpage called “Register a Trade Barrier” to allow businesses to lodge complains on barriers impeding trade or investments.

Import prohibitions apply to certain products such as obscene material; base or counterfeit coins; goods produced by prison labour; used and second-hand mattresses and materials therefrom; false description of goods with geographic origin of goods and goods with trademarks; used or second-hand motor vehicles; white phosphorus matches; and hate propaganda.

Import permits are required for some products due to public health, safety and environmental reasons, or the compliance of international commitments. Weapons and toxic chemicals, carbon steel and specialty steel products and certain textile, apparel and food products are among the products included in the Import Control List.

Services

Whilst some content quotas have been removed from Canadian radio and television in recent years, some local content requirements still apply. For example, commercial radio stations must ensure that at least 35% of the popular music is Canadian content, as well as the popular music broadcast from 6 am to 6 pm during weekdays. For CBC/Radio Canada, the minimum percentage of Canadian content for popular music selections is 50%. In the case of television stations, local content requirements vary in terms of the language used (English or French) and markets (metropolitan or non-metropolitan). In addition, a minimum level of local news and the allocation of a percentage of last year’s revenue to local news are required. The exhibition and expenditure levels are determined during the renewal of the station license.

Investment

In 2017, amendments were made to Investment Canada Act to facilitate investments, by increasing review thresholds for proposed foreign investments to CAD 1 billion in the case of non-state-owned enterprises and CAD 1.5 billion for trade agreement investors that are non-state-owned enterprises. In 2018, a minimum threshold equivalent to CAD 398 million was established for the review of potential foreign investments from state-owned enterprises.

Board restrictions still remain for foreign investors in certain sectors. For example, not less than 80% of board members in telecommunications companies have to be Canadians. Likewise, ownership restrictions are in place in some sectors. Foreigners can own a maximum of 25% of Canadian air carriers.

As of January 2018, Canada has implemented 37 Foreign Investment Promotion and Protection Agreements, with agreements with Burkina Faso, Guinea and Mongolia being put in-force in 2017.

Standards and Conformance

The Standards Council of Canada is strengthening bilateral collaboration with similar entities from China and Peru. These collaborations include work on standardization and capacity-building activities.

Canada has also actively participated in 362 technical committees under the International Organization for Standardization (ISO) and 101 technical or sub-committees under the International Electrotechnical Commission (IEC).

There have been no recent specific trade concerns raised against Canada in the WTO SPS and TBT Committees. However, in November 2017, Ecuador reported a partial resolution of a complaint against Canada raised in March 2010 regarding the import maximum residue limit for 1-Methylcyclopropene pesticide on bananas.

Customs Procedures

Initiatives to modernize ports of entry have been put in place in recent years. In 2017, the Canada Border Services Agency began to use radio frequency identification technology (RFID) in selected land ports of entry. In addition, new Free and Secure Trade (FAST) lanes have opened in the Canada-U.S. border to enhance trade security and make cross-border commercial shipments easier and faster.

Amendments were made to the Customs Act in 2017 to exempt individuals as well as imported goods on board a conveyance who did not land or stop in Canada from presenting themselves to Canadian customs unless otherwise required.

Intellectual Property Rights

With the implementation of Bill C-30 to put in force the Comprehensive Economic and Trade Agreement between Canada and the European Union, Geographical Indications (GIs) were expanded to include several agricultural products and foodstuffs, as well as extending IP border enforcement measures to include protected GIs.

As part of Canada’s commitments to CETA, it also implemented the Certificates of Supplementary Protection (CSP) in 2017 to ensure up to two years of additional protection to drugs protected by an eligible patent after the expiration of the patent. Also, amendments were made to the Patented Medicines (Notice of Compliance) Regulations in order to strike a balance between the patent enforcement on new drugs and the market entry of generic ones. This regulation create a patent linkage regime tying the regulatory approval of generic medicines with the protection of patent rights.

Amendments to the Copyright Act were implemented in 2016 to put in force the Marrakesh Treaty which facilitates access to published works for persons with visual impairment or other perceptual disabilities. In addition, Canada has initiated the process to amend its Industrial Design Regulation, Trademark Regulations and Patent Rules.

Competition Policy

In 2015 it was announced that the companies in the broadband internet market will be required to allow competitors to tap on their fibre facilities so as to increase competition. While rates for these services are yet to be determined, the Canadian Radio-television and Telecommunications Commission (CRTC) in 2017 have implemented interim rates.

In February 2018, Canada’s Competition Bureau increased its pre-merger notification threshold from CAD 88 million to CAD 92 million (value of either its book value of assets, gross revenue of sales or revenue generated from assets).

Canada has also signed a memorandum of understanding with New Zealand and Australia to combat unsolicited commercial electronic messages sent to consumers.

Government Procurement

In 2016, Shared Services Canada (SSC) shifted its procurement activities to the Procure-to-Pay Portal to streamline the procurement to payment process. Similarly, Canada launched a pilot program in March 2018 allowing bidders in the National Capital region to submit tenders electronically on Canada Posts epost Connect service. It is currently in the process of extending its application to other regions across Canada.

Deregulation/Regulatory Review

As part of its efforts to reduce regulatory restrictions, Canada implemented the Cutting Unnecessary Red Tape Act 2017. It aims to reduce regulatory practices that lead to unnecessary wastage of time and money.

Implementation of WTO Obligations

In December 2016, Canada officially ratified WTO’s agreement on Trade Facilitation. Also, Canada has granted duty free status since July 2016 to most products under the expansion of the WTO Information Technology Agreement.

Dispute Mediation

On 13 December 2016, Canada ratified the United Nations Convention on Transparency in Treaty-Based Investor Trade Arbitration which ensures greater transparency in arbitration proceedings.

Transparency

On 7 July 2017, Canada signed the Multilateral Convention to Implement Tax Treaty Related Measures to prevent Base Erosion and Profit Shifting. This agreement aims to prevent businesses from evading corporate tax by shifting profits to low or no-tax locations.

Mobility of Business People

The Global Talent Stream was launched in June 2017 to match immigration needs of Canada with skilled foreign labour. The initiative fast tracks highly-skilled foreigners to obtain a work permit. Moreover, the limit placed on the cumulative number of years a foreign individual can work in Canada was eliminated.

In 2016, Canada introduced entry requirements requiring visa-exempt individuals (apart from US citizens) to apply for an Electronic Travel Authorization in order to enter or transit through Canada by air.

RTA/FTAs

Canada has 14 RTA/FTAs in-force[[2]](#footnote-2). In 2017, Canada put two agreements in force, with the European Union (on 21 September 2017) and with Ukraine (on 1 August 2017).

1. \* This brief report was prepared with information from Canada’s submission of the 2016 APEC Individual Action Plan (IAP) template; Canada Gazette; Global Affairs Canada; WTO I-TIP Goods; WTO I-TIP Services; WTO Sanitary and Phytosanitary Information Management System; WTO World Tariff Profiles 2017; OECD; Parliament of Canada; Standards Council of Canada; International Organization for Standardization; International Electrotechnical Commission; Canadian Radio-television and Telecommunication Commission; Competition Bureau Canada; Public Works and Government Services Canada; Ministry of the Attorney General; Legislative Assembly of Ontario; Ministry of Economic Development and Growth; Employment and Social Development Canada; Agriculture and Agri-Food Canada; and Canada Transportation Agency websites. [↑](#footnote-ref-1)
2. Canada’s RTA/FTA’s in force are the following ones: Canada-United States (1989); Canada-NAFTA (1994); Canada-Israel (1997); Canada-Chile (1997); Canada-Costa Rica (2002); Canada-European Free Trade Association (2009); Canada-Peru (2009); Canada-Colombia (2011); Canada-Jordan (2012); Canada-Panama (2013); Canada-Honduras (2014); Canada-Korea (2015); Canada-Ukraine (2017); and Canada-European Union (2017) [↑](#footnote-ref-2)