

Text of the Canada–Panama Free trade agreement – Annex I: Reservations for existing measures

1. The Schedule of a Party sets out, under Articles 9.09 (Investment - Reservations and Exceptions) and 10.07 (Cross-Border Trade in Services - Reservations), the reservations taken by that Party for existing measures of a Party that do not conform with obligations imposed by:
 - Articles 9.04 (Investment - National Treatment) or 10.03 (Cross-Border Trade in Services - National Treatment);
 - Articles 9.05 (Investment - Most-Favoured-Nation Treatment) or 10.04 (Cross-Border Trade in Services - Most-Favoured-Nation Treatment);
 - Article 10.06 (Cross-Border Trade in Services - Local Presence);
 - Article 9.07 (Investment - Performance Requirements);
 - Article 9.08 (Investment - Senior Management and Boards of Directors); or
 - Article 10.05 (Cross-Border Trade in Services - Market Access).
2. Each reservation sets out the following elements:
 - **Sector** refers to the general sector in which the reservation is taken;
 - **Sub-Sector** refers to the specific sector in which the reservation is taken;
 - **Industry Classification** refers, where applicable, to the activity covered by the reservation according to industry classification codes;
 - **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
 - **Measure** identifies a law, regulation or other measure, as qualified, where indicated, by the **Description** element, for which the reservation is taken. A measure cited in the **Measure** element:
 - means the measure as amended, continued or renewed as of the date of entry into force of this Agreement, and
 - includes a subordinate measure adopted or maintained under the authority of and consistent with the measure; and
 - **Description** sets out the non-conforming aspects of the existing measure for which the reservation is taken. It may also set out commitments for liberalization.

3. In the interpretation of a reservation, all elements of the reservation, with the exception of Industry Classification, are considered. The **Measure** element prevails over other elements, unless a discrepancy between the **Measure** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measure** element prevails, in which case the other elements prevail to the extent of that discrepancy. A reservation is interpreted in the light of the relevant provisions of the Articles against which the reservation is taken.
4. Where a Party maintains a measure that requires a service provider be a citizen, permanent resident or resident of its territory as a condition to the provision of a service in its territory, a reservation for that measure taken with respect to Article 10.03, 10.04 or 10.06 (Cross-Border Trade in Services - National Treatment, Most-Favoured-Nation or Local Presence) operates as a reservation with respect to Article 9.04, 9.05 or 9.07 (Investment - National Treatment, Most-Favoured-Nation or Performance Requirements) to the extent of that measure.
5. The listing of a measure in this Annex is without prejudice to a future claim that Annex II may apply to the measure or some application of the measure.
6. For 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.