

ANNEX I

SCHEDULE OF CANADA

INTRODUCTORY NOTES

1. **Description** provides a general non-binding description of the measure for which the entry is made.
2. **Obligations Concerned** specifies the obligations referred to in Article 14.12 (Non-Conforming Measures) and Article 15.7 (Non-Conforming Measures) that do not apply to the listed measures.
3. In the interpretation of an entry, all elements of the entry shall be considered. An entry shall be interpreted in light of the relevant provisions of the Chapters against which the entry is taken. To the extent that:
 - (a) the **Measures** element is qualified by a liberalization commitment from the **Description** element, the **Measures** element as so qualified prevails over all other elements; and
 - (b) the **Measures** element is not so qualified, the **Measures** element prevails over other elements, unless a discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element prevails, in which case the other elements prevail to the extent of that discrepancy.

Reservation I-C-1

Sector: All Sectors

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)
Performance Requirements (Article 14.10)
Senior Management and Boards of Directors (Article 14.11)

Level of Government: Central

Measures: *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.)
Investment Canada Regulations, SOR/85-611

Description: Investment

1. Except as set out in paragraphs 5 and 9, the Director of Investments will review a direct “acquisition of control”, as defined in the *Investment Canada Act*, of a Canadian business by a WTO investor if the value of the Canadian business is not less than C\$1 billion, adjusted in accordance with the applicable methodology in January of each subsequent year, starting in 2019, as set out in the *Investment Canada Act*.
2. Notwithstanding the definition of “investor of a Party” in Article 14.1 (Definitions), only WTO investors or entities controlled by WTO investors provided for in the *Investment Canada Act* may benefit from the CAD \$1 billion threshold.
3. Except as set out in paragraphs 5 and 9, the Director of Investments will review a direct “acquisition of control”, as defined in the *Investment Canada Act*, of a Canadian business by a trade agreement investor if the value of the Canadian business is not less than CAD \$1.5 billion, adjusted in accordance with the applicable methodology in January of each subsequent year, starting in 2019, as set out in the *Investment Canada Act*.
4. Notwithstanding the definition of “investor of a Party” in Article 14.1 (Definitions), only a trade agreement investor or an entity controlled by a trade agreement investor as provided for in the *Investment Canada Act* may benefit from the CAD \$1.5 billion review threshold.

5. The higher threshold in paragraphs 1 and 3 does not apply to a direct acquisition of control by a state-owned enterprise of a Canadian business. These acquisitions are subject to review by the Director of Investments if the value of the Canadian business is not less than C\$398 million in 2018, adjusted in accordance with the applicable methodology in January of each subsequent year as set out in the *Investment Canada Act*.
6. An investment subject to review under the *Investment Canada Act* may not be implemented unless the Minister responsible for the *Investment Canada Act* advises the applicant that the investment is likely to be of net benefit to Canada. This determination is made in accordance with six factors described in the *Investment Canada Act*, summarized as follows:
 - (a) the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on the use of parts, components, and services produced in Canada and on exports from Canada;
 - (b) the degree and significance of participation by Canadians in the investment;
 - (c) the effect of the investment on productivity, industrial efficiency, technological development, and product innovation in Canada;
 - (d) the effect of the investment on competition within an industry in Canada;
 - (e) the compatibility of the investment with national industrial, economic, and cultural policies, taking into consideration industrial, economic, and cultural policy objectives enunciated by the government or legislature of a province likely to be significantly affected by the investment; and
 - (f) the contribution of the investment to Canada's ability to compete in world markets.

7. In making a net benefit determination, the Minister, through the Director of Investments, may review plans under which the applicant demonstrates the net benefit to Canada of the proposed acquisition. An applicant may also submit an undertaking to the Minister in connection with a proposed acquisition that is the subject of review. In the event of noncompliance with an undertaking by an applicant, the Minister may seek a court order directing compliance or any other remedy authorized under the *Investment Canada Act*.
8. A non-Canadian who establishes or acquires a Canadian business, other than those that are subject to review must notify the Director of Investments.
9. The review thresholds set out in paragraphs 1, 3, and 5 do not apply to an acquisition of a cultural business.
10. In addition, the specific acquisition or establishment of a new business in designated types of business activities relating to Canada's cultural heritage or national identity, which are normally notifiable, may be subject to review if the Governor in Council authorises a review in the public interest.
11. An indirect "acquisition of control" of a Canadian business by an investor of a Party other than a cultural business is not reviewable.
12. Notwithstanding Article 14.10 (Performance Requirements), Canada may impose requirements or enforce a commitment or undertaking in connection with the establishment, acquisition, expansion, conduct, operation or management of an investment of an investor of a Party or of a non-Party for the transfer of technology, production process or other proprietary knowledge to a national or enterprise, affiliated to the transferor, in Canada in connection with the review of an acquisition of an investment under the *Investment Canada Act*.
13. Except for requirements, commitments or undertakings relating to technology transfer as set out in paragraph 12 of this entry, Article 14.10 (Performance Requirements) applies to requirements, commitments or undertakings imposed or enforced under the *Investment Canada Act*.

14. For the purposes of this entry:

- (a) a **non-Canadian** means an individual, government or agency thereof or an entity that is not Canadian; and
- (b) **Canadian** means a Canadian citizen or permanent resident, a government in Canada or agency thereof, or a Canadian-controlled entity as described in the *Investment Canada Act*.

Reservation I-C-2

Sector: All Sectors

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)
Senior Management and Boards of Directors (Article 14.11)

Level of Government: Central

Measures: As set out in the **Description** element.

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 these interests or assets and on the ability of owners of these interests or assets to control a resulting enterprise by investors of a Party or of a third country or their investments. With respect to 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 the 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 a limitation on the ownership of equity interests or assets or imposes a nationality requirement described in this entry is an existing measure; 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 entity.

Reservation I-C-3

Sector: All Sectors

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)

Level of Government: Central

Measures: *Canada Business Corporations Act*, R.S.C. 1985, c. C-44
Canada Business Corporations Regulations, 2001, SOR/2001-512
Canada Cooperatives Act, S.C. 1998, c. 1
Canada Cooperatives Regulations, SOR/99-256

Description: Investment

1. A corporation may place constraints on the issue, transfer and ownership of shares in a federally incorporated corporation. The object of those constraints is to permit a corporation to meet Canadian ownership or control requirements, under certain laws set out in the *Canada Business Corporations Regulations, 2001*, in sectors where Canadian ownership or control is required as a condition to receive licences, permits, grants, payments or other benefits. In order to maintain certain Canadian ownership levels, a corporation is permitted to sell shareholders' shares without the consent of those shareholders, and to purchase its own shares on the open market.
2. The *Canada Cooperatives Act* provides that constraints may be placed on the issue or transfer of investment shares of a cooperative to persons not resident in Canada, to permit cooperatives to meet Canadian ownership requirements to obtain a licence to carry on a business, to become a publisher of a Canadian newspaper or periodical or to acquire investment shares of a financial intermediary and in sectors where ownership or control is a required condition to receive licences, permits, grants, payments, and other benefits. Where the ownership or control of investment shares would adversely affect the ability of a cooperative to maintain a level of Canadian ownership or control, the *Canada Cooperatives Act* provides for the limitation of the number of

investment shares that may be owned or for the prohibition of the ownership of investment shares.

3. For the purposes of this entry **Canadian** means “Canadian” as defined in the *Canada Business Corporations Regulations, 2001* or in the *Canada Cooperatives Regulations*.

Reservation I-C-4

Sector: All Sectors

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)

Level of Government: Central

Measures: *Citizenship Act*, R.S.C. 1985, c. C-29
Foreign Ownership of Land Regulations, SOR/79-416

Description: Investment

1. The *Foreign Ownership of Land Regulations* are made pursuant to the *Citizenship Act* and the *Agricultural and Recreational Land Ownership Act*, R.S.A. 1980, c. A-9. In Alberta, an ineligible person or foreign owned or controlled corporation may only hold an interest in controlled land consisting of a maximum of two parcels containing, in the aggregate, a maximum of 20 acres.

2. For the purposes of this entry:

ineligible person means:

- (a) a natural person who is not a Canadian citizen or permanent resident;
- (b) a foreign government or agency thereof; or
- (c) a corporation incorporated in a country other than Canada; and

controlled land means land in Alberta but does not include:

- (a) land of the Crown in right of Alberta;
- (b) land within a city, town, new town, village or summer village; and
- (c) mines or minerals.

Reservation I-C-5

Sector:	All Sectors
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	<i>Canadian Arsenal Limited Divestiture Authorization Act</i> , S.C. 1986, c. 20 <i>Eldorado Nuclear Limited Reorganization and Divestiture Act</i> , S.C. 1988, c. 41 <i>Nordion and Theratronics Divestiture Authorization Act</i> , S.C. 1990, c. 4
Description:	<p><u>Investment</u></p> <ol style="list-style-type: none">1. A “non-resident” or “non-residents” may not own more than a specified percentage of the voting shares of the corporation to which each Act applies. For some companies the restrictions apply to individual shareholders, while for others the restrictions may apply in the aggregate. If there are limits on the percentage that an individual Canadian investor can own, these limits also apply to non-residents. The restrictions are as follows:<ul style="list-style-type: none">• Cameco Limited (formerly Eldorado Nuclear Limited): 15 percent per non-resident natural person, 25 percent in the aggregate;• Nordion International Inc.: 25 percent in the aggregate;• Theratronics International Limited: 49 percent in the aggregate; and• Canadian Arsenal Limited: 25 percent in the aggregate.2. For the purposes of this entry, non-resident includes:<ol style="list-style-type: none">(a) a natural person who is not a Canadian citizen and not ordinarily resident in Canada;(b) a corporation incorporated, formed or otherwise organized outside Canada;

- (c) the government of a foreign State or a political subdivision of a government of a foreign State, or a person empowered to perform a function or duty on behalf of that government;
- (d) a corporation that is controlled directly or indirectly by a person or an entity referred to in subparagraphs (a) through (c);
- (e) a trust:
 - (i) established by a person or an entity referred to in subparagraphs (b) through (d), other than a trust for the administration of a pension fund for the benefit of natural persons the majority of whom are resident in Canada, or
 - (ii) in which a person or an entity referred to in subparagraphs (a) through (d) has more than 50 percent of the beneficial interest, and
- (f) a corporation that is controlled directly or indirectly by a trust referred to in subparagraph (e).

Reservation I-C-6

Sector: All Sectors

Sub-Sector:

Obligations Concerned: Local Presence (Article 15.6)

Level of Government: Central

Measure: *Export and Import Permits Act*, R.S.C. 1985, c. E-19

Description: Cross-Border Trade in Services

Only a natural person ordinarily resident in Canada, an enterprise with its head office in Canada or a branch office in Canada of a foreign enterprise may apply for and be issued an import or export permit or transit authorization certificate for a good or related service subject to controls under the *Export and Import Permits Act*.

Reservation I-C-7

Sector:	Communications services
Sub-sector:	Telecommunications Transport Networks and Services Radiocommunications
Obligations Concerned:	National Treatment (Article 14.4) Senior Management and Boards of Directors (Article 14.11)
Level of Government:	Central
Measures:	<i>Telecommunications Act</i> , S.C. 1993, c. 38 <i>Canadian Telecommunications Common Carrier Ownership and Control Regulations</i> , SOR/94-667 <i>Radiocommunication Act</i> , R.S.C. 1985, c. R-2 <i>Radiocommunication Regulations</i> , SOR/96-484
Description:	<p><u>Investment</u></p> <ol style="list-style-type: none">1. Foreign investment in a facilities-based telecommunications service supplier is restricted to a maximum, cumulative total of 46.7 percent voting interest, based on 20 percent direct investment and 33.3 percent indirect investment.2. A facilities-based telecommunications service supplier must be controlled in fact by Canadians.3. At least 80 percent of the members of the board of directors of a facilities-based telecommunications service suppliers must be Canadians.4. Notwithstanding the restrictions described above:<ol style="list-style-type: none">(a) foreign investment is allowed up to 100 percent for suppliers conducting operations under an international submarine cable licence;(b) mobile satellite systems of a foreign service supplier may be used by a Canadian service supplier to supply services in Canada;(c) fixed satellite systems of a foreign service supplier may be used to provide services between points in Canada and all points outside Canada;

- (d) foreign investment is allowed up to 100 percent for a supplier conducting operations under a satellite authorization; and
- (e) foreign investment is allowed up to 100 percent for a facilities-based telecommunications service supplier that has revenues, including those of its affiliates, from the supply of a telecommunications service in Canada representing less than 10 percent of the total telecommunications services' annual revenues in Canada. A facilities-based telecommunications service supplier that previously had annual revenues, including those of its affiliates, from the supply of a telecommunication service in Canada representing less than 10 percent of the total telecommunications services annual revenues in Canada may increase to 10 percent or beyond as long as the increase in revenues did not result from the acquisition of control of, or the acquisition of assets used to supply telecommunications services by, another facilities-based telecommunications service supplier that is subject to the legislative authority of the Parliament of Canada.

Reservation I-C-8

Sector: Business Services Industries

Sub-Sector:

Obligations Concerned: National Treatment (Articles 14.4 and 15.3)
Senior Management and Boards of Directors (Article 14.11)
Local Presence (Article 15.6)

Level of Government: Central

Measures: *Customs Act*, R.S.C. 1985, c. 1 (2nd Supp.)
Customs Brokers Licensing Regulations, SOR/86-1067

Description: Investment and Cross-Border Trade in Services

To be a licensed customs broker in Canada, in addition to meeting all other licensing requirements:

- (a) a natural person must be a Canadian national;
- (b) a corporation must be incorporated in Canada with a majority of its directors being Canadian nationals; and
- (c) a partnership must be composed of persons who are Canadian nationals who meet all other licensing requirements, or corporations incorporated in Canada with a majority of their directors being Canadian nationals who meet all other licensing requirements.

Reservation I-C-9

Sector:	Business Services Industries
Sub-Sector:	Duty Free Shops
Obligations Concerned:	National Treatment (Articles 14.4 and 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Customs Act</i> , R.S.C. 1985, c. 1 (2nd Supp.) <i>Duty Free Shop Regulations</i> , SOR/86-1072
Description:	<u>Investment and Cross-Border Trade in Services</u> <ol style="list-style-type: none">1. In addition to all other licensing requirements, to be a licensed duty free shop operator at a border crossing in Canada, a natural person must be a Canadian national.2. In addition to all other licensing requirements, to be a licensed duty free shop operator at a border crossing in Canada, a corporation must be incorporated in Canada and have all of its shares beneficially owned by Canadian nationals who meet all other licensing requirements.

Reservation I-C-10

Sector:	Business Services Industries
Sub-Sector:	Examination Services relating to the Export and Import of Cultural Property
Obligations Concerned:	National Treatment (Articles 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measure:	<i>Cultural Property Export and Import Act</i> , R.S.C. 1985, c. C-51
Description:	<u>Cross-Border Trade in Services</u>

1. Only a resident of Canada or an institution in Canada may be designated as an expert examiner of cultural property for the purposes of the *Cultural Property Export and Import Act*.
2. For the purposes of this entry:
 - (a) **institution** means an entity that is publicly owned and operated solely for the benefit of the public, that is established for educational or cultural purposes and that conserves objects and exhibits them; and
 - (b) **resident of Canada** means a natural person who is ordinarily resident in Canada, or a corporation that has its head office in Canada or maintains an establishment in Canada to which employees employed in connection with the business of the corporation ordinarily report for work.

Reservation I-C-11

Sector:	Professional Services
Sub-Sector:	Patent Agents Patent Agents supplying Legal Advisory and Representation Services.
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Patent Act</i> , R.S.C. 1985, c. P-4 <i>Patent Rules</i> , SOR/96-423
Description:	<u>Cross-Border Trade in Services</u> To represent a person in the prosecution of a patent application or in other business before the Patent Office, a patent agent must be resident in Canada and registered by the Patent Office.

Reservation I-C-12

Sector:	Professional Services
Sub-Sector:	Trade-mark Agents Trade-mark Agents supplying Legal Advisory and Representation Services in Statutory Procedures
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Trade-marks Act</i> , R.S.C. 1985, c. T-13 <i>Trade-marks Regulations</i> , SOR/96-195
Description:	<u>Cross-Border Trade in Services</u>

To represent a person in the prosecution of an application for a trade-mark or in other business before the Office of the Registrar of Trade-Marks, a trade-mark agent must be resident in Canada and registered by the Office of the Registrar of Trade-Marks.

Reservation I-C-13

Sector:	Energy
Sub-Sector:	Oil and Gas
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	<i>Canada Petroleum Resources Act</i> , R.S.C. 1985, c. 36 (2nd Supp.) <i>Territorial Lands Act</i> , R.S.C. 1985, c. T-7 <i>Federal Real Property and Federal Immovables Act</i> , S.C. 1991, c. 50 <i>Canada-Newfoundland and Labrador Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3 <i>Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i> , S.C. 1988, c. 28
Description:	<u>Investment</u> <ol style="list-style-type: none">1. This reservation applies to a production licence issued for “frontier lands” and “offshore areas” (areas not under provincial jurisdiction) as defined in the applicable measures.2. A person who holds an oil and gas production licence or shares therein must be a corporation incorporated in Canada.

Reservation I-C-14

Sector:	Energy
Sub-Sector:	Oil and Gas
Obligations Concerned:	Performance Requirements (Article 14.10) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<p><i>Canada Oil and Gas Operations Act</i>, R.S.C. 1985, c. O-7 <i>Canada - Nova Scotia Offshore Petroleum Resources Accord Implementation Act</i>, S.C. 1988, c. 28 <i>Canada - Newfoundland and Labrador Atlantic Accord Implementation Act</i>, S.C. 1987, c. 3 Measures implementing the Canada-Yukon Oil and Gas Accord, including the <i>Canada-Yukon Oil and Gas Accord Implementation Act</i>, S.C. 1998, c.5, s. 20 and the <i>Oil and Gas Act</i>, RSY 2002, c. 162 Measures implementing the Northwest Territories Oil and Gas Accord, including implementing measures that apply to or are adopted by Nunavut as the successor territories to the former Northwest Territories Measures implementing the Accord between the Government of Canada and the Government of Quebec for the joint management of petroleum resources in the Gulf of St. Lawrence or any other similar federal-provincial accords related to the joint management of petroleum resources.</p>
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <ol style="list-style-type: none">1. Under the <i>Canada Oil and Gas Operations Act</i>, a "benefits plan" must be approved by the Minister in order to be authorized to proceed with an oil and gas development project.2. A benefits plan means a plan for the employment of Canadians and for providing Canadian manufacturers, consultants, contractors, and service companies with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in proposed work or activity referred to in the benefits plan.

3. The benefits plan contemplated by the *Canada Oil and Gas Operations Act* permits the Minister to impose on the applicant an additional requirement to ensure that disadvantaged individuals or groups have access to training and employment opportunities or can participate in the supply of goods and services used in proposed work referred to in the benefits plan.
4. Provisions continuing those set out in the *Canada Oil and Gas Operations Act* are included in laws which implement the Canada-Yukon Oil and Gas Accord.
5. Provisions continuing those set out in the *Canada Oil and Gas Operations Act* will be included in laws or regulations to implement accords with various provinces and territories, including implementing legislation by provinces and territories (for example, the Northwest Territories Oil and Gas Accord, the Canada-Quebec Gulf of St. Lawrence Petroleum Resources Accord, and the New Brunswick Oil and Gas Accord). For the purposes of this reservation these accords and implementing legislation shall be deemed, once concluded, to be existing measures
6. The *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* have the same requirement for a benefits plan but also require that the benefits plan ensures that:
 - (a) the corporation or other body submitting the plan establishes in the applicable province an office where appropriate levels of decision-making are to take place, prior to carrying out work or an activity in the offshore area;
 - (b) expenditures be made for research and development to be carried out in the province, and for education and training to be provided in the province; and
 - (c) first consideration be given to goods produced or services provided from within the province, where those goods or services are competitive in terms of fair market price, quality, and delivery.

7. The Boards administering the benefits plan under these Acts may also require that the plan include provisions to ensure that disadvantaged individuals or groups, or corporations owned or cooperatives operated by them, participate in the supply of goods and services used in proposed work or activity referred to in the plan.
8. In addition, Canada may impose a requirement or enforce a commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a person of Canada in connection with the approval of development projects under the applicable Acts.

Reservation I-C-15

Sector:	Energy
Sub-Sector:	Oil and Gas
Obligations Concerned:	Performance Requirements (Article 14.10)
Level of Government:	Central
Measures:	<i>Hibernia Development Project Act</i> , S.C. 1990, c. 41 <i>Canada-Newfoundland and Labrador Atlantic Accord Implementation Act</i> , S.C. 1987, c. 3
Description:	<u>Investment</u> <ol style="list-style-type: none">1. Under the <i>Hibernia Development Project Act</i>, Canada and the Hibernia Project Owners may enter into agreements. Those agreements may require the Project Owners to undertake to perform certain work in Canada and Newfoundland and Labrador and to use their best efforts to achieve specific Canadian and Newfoundland and Labrador target levels in relation to the provisions of a "benefits plan" required under the <i>Canada-Newfoundland and Labrador Atlantic Accord Implementation Act</i>. "Benefits plans" are further described in I-C-14.2. In addition, Canada may impose in connection with the Hibernia Project a requirement or enforce a commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a national or enterprise in Canada.

Reservation I-C-16

Sector:	Energy
Sub-Sector:	Uranium
Obligations Concerned:	National Treatment (Article 14.4) Most-Favored-Nation Treatment (Article 14.5)
Level of Government:	Central
Measures:	<i>Investment Canada Act</i> , R.S.C. 1985, c. 28 (1st Supp.) <i>Investment Canada Regulations</i> , SOR/85-611 <i>Policy on Non-Resident Ownership in the Uranium Mining Sector</i> , 1987
Description:	<u>Investment</u> <ol style="list-style-type: none">1. Ownership by "non-Canadians", as defined in the <i>Investment Canada Act</i>, of a uranium mining property is limited to 49 percent at the stage of first production. Exceptions to this limit may be permitted if it can be established that the property is in fact "Canadian controlled", as defined in the <i>Investment Canada Act</i>.2. Exemptions from the <i>Non-Resident Ownership Policy in the Uranium Mining Sector</i> are permitted, subject to approval of the Governor in Council, only in cases where Canadian participants in the ownership of the property are not available. Investments in properties by non-Canadians, made prior to December 23, 1987 and that are beyond the permitted ownership level, may remain in place. No increase in non-Canadian ownership is permitted.3. In considering a request for an exemption from the Policy from an investor of a Party, Canada will not require that it be demonstrated that a Canadian partner cannot be found.

Reservation I-C-17

Sector:	Transportation
Sub-Sector:	Air Transportation
Obligations Concerned:	National Treatment (Article 14.4) Most-Favored-Nation Treatment (Article 14.5) Senior Management and Board of Directors (Article 14.11)
Level of Government:	Central
Measures:	<i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , SOR/96-433 Part II, Subpart 2 - “Aircraft Markings & Registration”; Part IV “Personnel Licensing & Training”; and Part VII “Commercial Air Services”
Description:	<u>Investment</u> 1. Only Canadians may provide the following commercial transportation air services: (a) domestic services (air services between points, or from and to the same point, in the territory of Canada, or between a point in the territory of Canada and a point not in the territory of another country); (b) scheduled international services (scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under existing or future air services agreements; (c) non-scheduled international services (non-scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under the <i>Canada Transportation Act</i> ; and (d) specialty air services including, but are not limited to: aerial mapping, aerial surveying, aerial photography, forest fire management, fire-fighting, aerial advertising, glider towing, parachute jumping, aerial

construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing, and aerial crop spraying.

2. For the purposes of 1 (a), (b), and (c), the *Canada Transportation Act*, in section 55, defines "Canadian" in the following manner:
 - (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, S.C. 2001, c.27;
 - (b) a government in Canada or an agent or mandatary of that government; or
 - (c) a corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 51 percent of the voting interests are owned and controlled by Canadians and where:
 - (i) no more than 25 percent of the voting interests are owned directly or indirectly by any single non-Canadian, either individually or in affiliation with another person, and
 - (ii) no more than 25 percent of the voting interests are owned directly or indirectly by one or more non-Canadians authorized to provide an air service in any jurisdiction, either individually or in affiliation with another person;
3. Regulations made under the *Aeronautics Act* include distinct definitions of "Canadian" referenced in paragraphs (2) and (4). These Regulations require that a Canadian operator of commercial air services operate Canadian-registered aircraft. These Regulations require an operator to be Canadian in order to obtain a Canadian Air Operator Certificate and to qualify to register aircraft as "Canadian".
4. For the Purposes of 1 (d), the *Canadian Aviation Regulations* define "Canadian" in the following manner:
 - (a) a Canadian citizen or a permanent resident as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*;
 - (b) a government in Canada or an agent or mandatary of that government; or

- (c) a corporation or entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75 percent of the voting interests are owned and controlled by Canadians.
- 5. No foreign individual is qualified to be the registered owner of a Canadian-registered aircraft.
- 6. Further to the *Canadian Aviation Regulations*, a corporation incorporated in Canada, but that does not meet the Canadian ownership and control requirements, may only register an aircraft for private use where a significant majority of use of the aircraft (at least 60 percent) is in Canada.
- 7. The *Canadian Aviation Regulations* also have the effect of limiting foreign-registered private aircraft registered to non-Canadian corporations to be present in Canada for a maximum of 90 days per twelve-month period. The foreign-registered private aircraft shall be limited to private use, as would be the case for Canadian-registered aircraft requiring a private operating certificate.

Reservation I-C-18

Sector:	Air Transportation
Sub-Sector:	Specialty Air Services as defined in Article 15.1 (Definitions)
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4)
Level of Government:	Central
Measures:	<i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Air Transportation Regulations</i> , SOR/88-58 <i>Canadian Aviation Regulations</i> , SOR/96-433
Description:	<u>Cross-Border Trade in Services</u>

Authorization from Transport Canada is required to supply a specialty air service in the territory of Canada. In determining whether to grant a particular authorization, Transport Canada will consider among other factors, whether the country in which the applicant, if an individual, is resident or, if an enterprise, is constituted or organized, provides Canadian specialty air service operators reciprocal access to supply specialty air services in that country's territory. Any foreign service supplier authorized to supply a specialty air service is required to comply with Canadian safety requirements while supplying these services in Canada.

Reservation I-C-19

Sector:	Transportation
Sub-Sector:	Air Transportation
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Aeronautics Act</i> , R.S.C. 1985, c. A-2 <i>Canadian Aviation Regulations</i> , SOR/96-433, Part IV “Personnel Licensing & Training”; Part V “Airworthiness”; Part VI “General Operating & Flight Rules”; and Part VII “Commercial Air Services”
Description:	<u>Cross-Border Trade in Services</u> <ol style="list-style-type: none">1. Aircraft and other aeronautical product repair, overhaul or maintenance activities required to maintain the airworthiness of Canadian-registered aircraft and other aeronautical products must be performed by a person meeting Canadian aviation regulatory requirements (that is, approved maintenance organizations and aircraft maintenance engineers). A certification is not provided for persons located outside Canada, except sub-organizations of approved maintenance organizations that themselves are located in Canada.2. Pursuant to an airworthiness agreement between Canada and the United States, Canada recognizes the certification and oversight provided by the United States for all repair, overhaul and maintenance facilities and individuals performing the work located in the United States.

Reservation I-C-20

Sector:	Transportation
Sub-Sector:	Land Transportation
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Motor Vehicle Transport Act</i> , R.S.C. 1985, c. 29 (3rd Supp.), as amended by S.C. 2001, c. 13. <i>Canada Transportation Act</i> , S.C. 1996, c. 10 <i>Customs Tariff</i> , S.C. 1997, c. 36
Description:	<u>Cross-Border Trade in Services</u> Only a person of Canada using Canadian-registered and either Canadian-built or duty-paid trucks or buses, may provide truck or bus services between points in the territory of Canada.

Reservation I-C-21

Sector:	Transportation
Sub-Sector:	Water Transportation
Obligations Concerned:	National Treatment (Articles 14.4 and 15.3) Local Presence (Articles 15.6)
Level of Government:	Central
Measures:	<i>Canada Shipping Act</i> , 2001, S.C. 2001, c. 26
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>1. To register a vessel in Canada, the owner of that vessel or the person who has exclusive possession of that vessel must be:</p> <ul style="list-style-type: none">(a) a Canadian citizen or a permanent resident within the meaning of subsection 2(1) of the <i>Immigration and Refugee Protection Act</i>, S.C. 2001, c.27;(b) a corporation incorporated under the laws of Canada or a province or territory; or(c) when the vessel is not already registered in another country, a corporation incorporated under the laws of a country other than Canada if one of the following is acting with respect to all matters relating to the vessel, namely:<ul style="list-style-type: none">(i) a subsidiary of that corporation that is incorporated under the law of Canada or a province or territory,(ii) an employee or director in Canada of any branch office of that corporation that is carrying on business in Canada, or(iii) a ship management company incorporated under the law of Canada or a province or territory.

2. A vessel registered in a foreign country which has been bareboat chartered may be listed in Canada for the duration of the charter while the vessel's registration is suspended in its country of registry, if the charterer is:
 - (a) a Canadian citizen or permanent resident, as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*, S.C. 2001, c.27; or
 - (b) a corporation incorporated under the law of Canada or a province or territory.

Reservation I-C-22

Sector: Transportation

Sub-Sector: Water Transportation

Obligations Concerned: National Treatment (Article 15.3)
Local Presence (Article 15.6)

Level of Government: Central

Measures: *Canada Shipping Act, 2001*, S.C. 2001, c. 26
Marine Personnel Regulations, SOR/2007-115

Description: Cross-Border Trade in Services

Masters, mates, engineers, and certain other seafarers must hold certificates granted by the Minister of Transport as a requirement of service on Canadian registered vessels. These certificates may be granted only to Canadian citizens or permanent residents.

Reservation I-C-23

Sector:	Transportation
Sub-Sector:	Water Transportation
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Pilotage Act</i> , R.S.C., 1985, c. P-14 <i>General Pilotage Regulations</i> , SOR/2000-132 <i>Atlantic Pilotage Authority Regulations</i> , C.R.C., c. 1264 <i>Laurentian Pilotage Authority Regulations</i> , C.R.C., c. 1268 <i>Great Lakes Pilotage Regulations</i> , C.R.C., c. 1266 <i>Pacific Pilotage Regulations</i> , C.R.C., c. 1270
Description:	<u>Cross-Border Trade in Services</u>

Subject to Canada's Reservation II-C-8, a licence or a pilotage certificate issued by the relevant regional Pilotage Authority is required to provide pilotage services in the compulsory pilotage waters of the territory of Canada. Only a Canadian citizen or permanent resident may obtain a licence or pilotage certificate. A permanent resident of Canada who has been issued a pilot's licence or pilotage certificate must become a Canadian citizen within five years of receipt of that licence or pilotage certificate in order to retain it.

Reservation I-C-24

Sector:	Transportation
Sub-Sector:	Water Transportation
Obligations Concerned:	Most-Favored-Nation Treatment (Article 15.4)
Level of Government:	Central
Measures:	<i>Coasting Trade Act</i> , S.C. 1992, c. 31
Description:	<u>Cross-Border Trade in Services</u>

The prohibitions under the *Coasting Trade Act*, set out in Canada's Reservation II-C-7, do not apply to any vessel that is owned by the Government of the United States of America, when used solely for the purpose of transporting goods owned by the Government of the United States of America from the territory of Canada to supply Distant Early Warning sites.

Reservation I-C-25

Sector:	Transportation
Sub-Sector:	Water Transportation Services by Sea-going and Non-sea-going Vessels
Obligations Concerned:	Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Shipping Conferences Exemption Act, 1987</i> , R.S.C. 1985, c.17 (3rd Supp.)
Description:	<u>Cross-Border Trade in Services</u> Members of a shipping conference must maintain jointly an office or agency in the region of Canada where they operate. A shipping conference is an association of ocean carriers that has the purpose or effect of regulating rates and conditions for the transportation by those carriers of goods by water.

Reservation I-C-26

Sector:	All
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Most-Favored-Nation Treatment (Article 14.5 and 15.4) Performance Requirements (Article 14.10) Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6)
Level of Government:	Regional
Measures:	An existing non-conforming measure of a province and territory.
Description:	<u>Investment and Cross-Border Trade in Services</u>

EXPLANATORY NOTE

ANNEX I

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 14.12 (Non-Conforming Measures) and 15.7 (Non-Conforming Measures), a Party's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 14.4 (National Treatment) or 15.3 (National Treatment);
- (b) Article 14.5 (Most-Favored-Nation Treatment) or 15.4 (Most-Favored-Nation Treatment);
- (c) Article 14.10 (Performance Requirements);
- (d) Article 14.11 (Senior Management and Boards of Directors);
- (e) Article 15.5 (Market Access); or
- (f) Article 15.6 (Local Presence).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;
- (c) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 14.12.1(a) (Non-Conforming Measures) and 15.7.1(a) (Non-Conforming Measures), do not apply to the non-conforming aspects of the law, regulation, or other measure, as set out in paragraph 3;
- (d) **Level of Government** indicates the level of government maintaining the scheduled measure(s);
- (e) **Measures** identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement, and
 - (ii) includes any subordinate measure adopted or maintained under the

authority of and consistent with the measure; and

- (f) **Description**, as indicated in the introductory note for each Party's Schedule, either sets out the non-conforming measure or provides a general non-binding description of the measure for which the entry is made.

3. Articles 15.6 (Local Presence) and 15.3 (National Treatment) are separate disciplines and a measure that is only inconsistent with Article 15.6 (Local Presence) need not be reserved against Article 15.3 (National Treatment).

ANNEX I

INTRODUCTORY NOTES

1. **Description** provides a general non-binding description of the measure for which the entry is made.
2. In accordance with Article 14.12 (Non-Conforming Measures) and Article 15.7 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming aspects of the law, regulation, or other measure identified in the **Measures** element of that entry.
3. In the interpretation of an entry, all elements of the entry shall be considered. An entry shall be interpreted in the light of the relevant provisions of the Chapters against which the entry is taken. To the extent that:
 - (a) the **Measures** element is qualified by a liberalization commitment from the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and
 - (b) the **Measures** element is not so qualified, the **Measures** element shall prevail over all other elements, unless any discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.
4. For the purposes of this Annex:

CMA means the Mexican Classification of Activities and Products 1994 (*Clasificación Mexicana de Actividades y Productos*) numbers as set out by the National Institute for Statistics and Geography (*Instituto Nacional de Estadística y Geografía*);

CNIE means the National Commission on Foreign Investments (*Comisión Nacional de Inversiones Extranjeras*);

Concession means an authorization granted by the Mexican State to a person to exploit a natural resource or supply a service, for which Mexican nationals and Mexican enterprises are granted priority over foreigners;

Foreigners' exclusion clause means the express provision in an enterprise's by-laws, stating that the enterprise shall not allow a foreigner, directly or indirectly, to become a partner or shareholder of the enterprise; and

SCT means the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*).

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	<p>Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 27.</p> <p>Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title II, Chapters I and II.</p> <p>Regulations to the Foreign Investment Law and the National Registry of Foreign Investments (<i>Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras</i>), Title II, Chapters I and II.</p>
Description:	<p><u>Investment</u></p> <p>No foreign national or foreign enterprise may acquire property rights (<i>dominio directo</i>) over land and water in a 100-kilometer strip along the country's borders or in a 50-kilometer strip inland from its coasts (Restricted Zone).</p> <p>A Mexican enterprise without a foreigners' exclusion clause may acquire property rights (<i>dominio directo</i>) over real estate located in the Restricted Zone, used for non-residential purposes. Notice of the acquisition must be given to the Ministry of Foreign Affairs (<i>Secretaría de Relaciones Exteriores</i> or <i>SRE</i>) within 60 business days from the date of acquisition.</p> <p>No Mexican enterprise without a foreigners' exclusion clause may acquire property rights (<i>dominio directo</i>) over real estate located in the Restricted Zone, used for residential purposes.</p> <p>Pursuant to the procedure described below, a Mexican enterprise without a foreigners' exclusion clause may acquire rights for the use and enjoyment over real estate in the Restricted Zone, used for residential purposes. This procedure shall also apply when a foreign national or a foreign enterprise seeks to acquire rights for the use and enjoyment over real estate in the Restricted Zone regardless of the purpose for which the real estate is used.</p>

A permit from the SRE is required for a credit institution to acquire, as a trustee, rights to real estate located in the Restricted Zone, when the purpose of the trust is to allow the use and enjoyment of such real estate, without granting real property rights thereof, and

the trust beneficiary is a Mexican enterprise without a foreigners' exclusion clause, or the foreign national or foreign enterprise referred to above.

The terms "use" and "enjoyment" of the real estate located in the Restricted Zone mean the rights to use or enjoy such real estate, including, as applicable, obtaining benefits, products, and, in general, any yield resulting from lucrative operation and exploitation through third parties or through a credit institution acting as trustee.

The duration of the trust referred to in this entry shall be for a maximum period of 50 years, which may be renewed on request of the interested party.

The SRE can verify at any time the compliance with the conditions under which the permits referred to in this entry are granted, as well as the submission and veracity of the notices mentioned above.

The SRE shall decide on the permits, considering the economic and social benefits that these operations could have on the Nation.

A foreign national or a foreign enterprise seeking to acquire real estate outside the Restricted Zone, shall previously submit to the SRE a statement agreeing to consider themselves a Mexican national for the above mentioned purposes, and waiving its right to invoke the protection of its government with respect to such real estate.

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4) Market Access (Article 15.5)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title VI, Chapter III.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>In order to evaluate an application submitted for its consideration (an acquisition or establishment of investments in restricted activities as set out in this Schedule), the <i>CNIE</i> shall take into account the following criteria:</p> <ul style="list-style-type: none"> (a) the effects on employment and training of workers; (b) the technological contribution; (c) the compliance with the environmental provisions contained in the environmental legislation; and (d) in general, the contribution to increase the competitiveness of the Mexican productive system. <p>When deciding on an application, the <i>CNIE</i> may only impose requirements that do not distort international trade and that are not prohibited by Article 14.10 (Performance Requirements).</p>

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. As qualified by the Description element.
Description:	<p><u>Investment</u></p> <p>A favorable resolution from the CNIE is required for an investor of another Party or its investments to participate, directly or indirectly, in more than 49 percent of the ownership interest of a Mexican enterprise in an unrestricted sector, if the total value of the assets of the Mexican enterprise exceeds the applicable threshold at the time the application for acquisition is submitted.</p> <p>The applicable threshold for the review of an acquisition of a Mexican enterprise shall be the amount determined by the CNIE. The threshold at the date of entry into force of this Agreement for Mexico will be the equivalent in Mexican pesos to 955,835,000 US dollars, using the official exchange rate on August 31, 2018.</p> <p>The threshold will be adjusted each year according to the nominal growth rate of the Mexican Gross Domestic Product, as published by the National Institute for Statistics and Geography (<i>Instituto Nacional de Estadística y Geografía</i>).</p>

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4) Senior Management and Boards of Directors (Article 14.11)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 25. General Law of Cooperative Companies (<i>Ley General de Sociedades Cooperativas</i>), Title I and Title II, Chapter II. Federal Labor Law (<i>Ley Federal del Trabajo</i>), Title I. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.
Description:	<u>Investment</u> No more than 10 percent of the persons participating in a Mexican cooperative production enterprise may be foreign nationals. An investor of another Party or its investments may only own, directly or indirectly, up to 10 percent of the ownership interest in a Mexican cooperative production enterprise. No foreign nationals may engage in general administrative functions or perform managerial activities in a Mexican cooperative production enterprise. A cooperative production enterprise is an enterprise the members of which combine their personal work, whether physical or intellectual, with the purpose of producing goods or services.

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Federal Law to Foster the Microindustry and Handicraft Activity (<i>Ley Federal para el Fomento de la Microindustria y la Actividad Artesanal</i>), Chapters I, II, III and IV.
Description:	<p><u>Investment</u></p> <p>Only Mexican nationals may apply for a license (<i>cédula</i>) to qualify as a microindustry enterprise.</p> <p>No Mexican microindustry enterprises may have a foreign person as partner.</p> <p>The Federal Law to Foster the Microindustry and Handicraft Activity (<i>Ley Federal para el Fomento de la Microindustria y la Actividad Artesanal</i>) defines a “microindustry enterprise” as an enterprise integrated by up to 15 workers, that is engaged in the transformation of goods, and the annual sales of which do not exceed the amount determined periodically by the Ministry of Economy (<i>Secretaría de Economía</i>).</p>

Sector:	Agriculture, Livestock, Forestry, and Lumber Activities
Sub-Sector:	Agriculture, livestock or forestry
Industry Classification:	CMAP 1111 Agriculture CMAP 1112 Livestock and hunting (limited to livestock) CMAP 1200 Forestry and felling Trees
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 27. Agrarian Law (<i>Ley Agraria</i>), Title VI. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.
Description:	<u>Investment</u> Only a Mexican national or a Mexican enterprise may own land for agriculture, livestock or forestry purposes. Such enterprise must issue a special type of share (“T” share) representing the value of that land at the time of its acquisition. An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of “T” shares.

Sector:	Retail Trade
Sub-Sector:	Sale of non-food products in specialized establishments
Industry Classification:	CMAP 623087 Retail Trade of Firearms, Cartridges and Munitions CMAP 612024 Wholesale Trade Not Elsewhere Classified (limited to firearms, cartridges and munitions)
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.
Description:	<p><u>Investment</u></p> <p>An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico that is engaged in the sale of explosives, firearms, cartridges, ammunition, and fireworks, excluding the acquisition and use of explosives for industrial and extractive activities, and the preparation of explosive mixtures for such activities.</p>

Sector:	Communications
Sub-Sector:	Broadcasting (radio and free to air television)
Industry Classification:	<p>CMA 941104 Private Production and Transmission of Radio Programs (limited to production and transmission of sound broadcasting (radio) programs)</p> <p>CMA 941105 Private Services of production, Transmission and Retransmission of Television Programming (limited to transmission and retransmission of free-to-air television programming)</p>
Obligations Concerned:	<p>National Treatment (Article 14.4 and Article 15.3)</p> <p>Local Presence (Article 15.6)</p>
Level of Government:	Central
Measures:	<p>Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Articles 28 and 32 Federal Telecommunications and Broadcasting Law (<i>Ley Federal de Telecomunicaciones y Radiodifusión</i>), Title IV, Chapters I, III and IV, title XI, Chapter II.</p> <p>General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapter III.</p> <p>Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapters II and III.</p> <p>Regulations to the Foreign Investment Law and the National Registry for Foreign Investments (<i>Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras</i>), Title VI.</p> <p>General Guidelines for the granting of the concessions referred to in Title Four of the Federal Telecommunications and Broadcasting Law (<i>Lineamientos Generales para el otorgamiento de las concesiones a que se refiere el Título Cuarto de la Ley Federal de Telecomunicaciones y Radiodifusión</i>).</p>
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>According to their purposes, sole concessions and frequency band concessions will be granted only to Mexican nationals or enterprise constituted under Mexican Laws and regulations.</p> <p>An investor of a Party or its investments may participate up to 49 percent in a concessionaire enterprise supplying</p>

broadcasting services. This cap shall apply according to the reciprocity existent with the country in which the investor or trader who ultimately controls it, directly or indirectly, is constituted.

For the purposes of the paragraph above, a favorable opinion of the CNIE is required before granting the sole concession for providing broadcasting services in which foreign investment participate.

No concession, the rights conferred therein, facilities, auxiliary services, offices, or accessories and properties affected thereto, may be assigned, encumbered, pledged, or given in trust, mortgaged, or transferred totally or partially to any foreign government or state.

Concessions for indigenous social use shall be granted to indigenous people and indigenous communities of Mexico, with the objective to promote, develop, and preserve language, culture, knowledge, tradition, identity and internal rules that, under principles of gender equality, allow the integration of indigenous women in the accomplishment of the purposes for which the concession is granted.

The State shall guarantee that broadcasting promotes the values of national identity. A broadcasting concessionaire shall use and stimulate local and national artistic values and expressions of Mexican culture, according to the characteristics of its programming. Daily programming with personal performances shall include more time covered by Mexicans.

Sector:	Communications
Sub-Sector:	Telecommunications (including resellers and restricted television and audio service)
Industry Classification:	CMAP 720006 Other Telecommunication Services CMAP 720006 Other Telecommunications services (Not including enhanced or Value Added Services) CMAP 502003 Telecommunications installation CMAP 720006 Other Telecommunications Services (limited to resellers) CMAP 502004 Other special installations
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 28 and 32. Federal Telecommunications and Broadcasting Law (<i>Ley Federal de Telecomunicaciones y Radiodifusión</i>), Title IV, Chapters I, III and IV, Title V, Chapter VIII, and Title VI, Unique Chapter. General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>). Foreign Investment Law (<i>Ley de Inversión Extranjera</i>) Title I, Chapter II. Regulations to the Foreign Investment Law and the National Registry of Foreign Investments (<i>Reglamento de la Ley de Inversión Extranjera y del Registro Nacional de Inversiones Extranjeras</i>), Title VI. General Guidelines for the granting of the concessions referred to in Title Four of the Federal Telecommunications and Broadcasting Law (<i>Lineamientos Generales para el otorgamiento de las concesiones a que se refiere el Título Cuarto de la Ley Federal de Telecomunicaciones y Radiodifusión</i>). Rules of general character that establish the terms and requisites for the granting of telecommunications authorizations established in the Federal Telecommunications and Broadcasting Law (<i>Reglas de carácter general que establecen los plazos y requisitos para el otorgamiento de autorizaciones en materia de telecomunicaciones establecidas en la Ley Federal de Telecomunicaciones y Radiodifusión</i>).

General Guidelines on the Authorization to Lease Radio Spectrum (*Lineamientos Generales sobre la Autorización de Arrendamiento del Espectro Radioeléctrico*).

Guidelines for the granting of the Authorization Registration, for the use and development of radio spectrum frequency bands for secondary use (*Lineamientos para el otorgamiento de la Constancia de Autorización, para el uso y aprovechamiento de bandas de frecuencias del espectro radioeléctrico para uso secundario*).

Description:

Investment and Cross-Border Trade in Services

According to their purposes, sole concessions and frequency band concessions will be granted only to a Mexican national or enterprise constituted under Mexican Laws and regulations.

Concessions for indigenous social use shall be granted to indigenous people and indigenous communities of Mexico, with the objective to promote, develop, and preserve their language, culture, knowledge, tradition, identity and internal rules that, under principles of gender equality, allow the integration of indigenous women in the accomplishment of the purposes for which the concession is granted.

Concessions for indigenous social use shall only be granted to indigenous people and indigenous communities in Mexico without any kind of foreign investment.

No concession, the rights conferred therein, facilities, auxiliary services, offices or accessories and properties affected thereto, shall be assigned encumbered, pledged, or given in trust, mortgaged, or transferred totally or partially to any foreign government or state.

Only a Mexican national or an enterprise established under Mexican laws may obtain authorization to provide telecommunication services as reseller without being a concessionaire.

Under the General Guidelines on the Authorization to Lease Radio Spectrum, a company interested in becoming a lessee of frequency bands must obtain a sole concession for commercial use or a sole concession for private use.

An applicant for an authorization for secondary use of radio spectrum frequency bands must appoint a legal address in Mexico City.

Sector:	Communications
Sub-Sector:	Transportation
Industry Classification:	CMAP 7100 Transport
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	<p>Ports Law (<i>Ley de Puertos</i>), Chapter IV.</p> <p>Regulatory Law of the Railway Service (<i>Ley Reglamentaria del Servicio Ferroviario</i>), Chapter II, Section III.</p> <p>Civil Aviation Law (<i>Ley de Aviación Civil</i>), Chapter III, Section III</p> <p>Airports Law (<i>Ley de Aeropuertos</i>), Chapter IV.</p> <p>Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter III.</p> <p>General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters III and V.</p>
Description:	<p><u>Investment</u></p> <p>No foreign government or foreign State may invest, directly or indirectly, in a Mexican enterprise engaged in transportation and other general means of communications.</p>

Sector:	Transportation
Sub-Sector:	Land transportation and water transportation
Industry Classification:	CMAP 501421 Construction of Maritime and River Works CMAP 501422 Construction of Roadworks and Works for Land Transport
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32. Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter III. Ports Law (<i>Ley de Puertos</i>), Chapter IV. Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title I, Chapter II.
Description:	<u>Investment and Cross-Border Trade in Services</u> A concession granted by the SCT is required to build and operate, or only operate, marine or river works. A concession is also required to build, operate, exploit, conserve, or maintain federal roads and bridges. Only a Mexican national or a Mexican enterprise may obtain these concessions.

Sector:	Printing, Editing and Associated Industries
Sub-Sector:	Newspaper publishing
Industry Classification:	CMAP 342001 Publishing of Newspapers, Magazines and Periodicals (limited to newspapers)
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. As qualified by the Description element.
Description:	<u>Investment</u>

An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico engaged in the printing or publication of daily newspapers written primarily for a Mexican audience and distributed in the territory of Mexico.

For the purposes of this entry, daily newspapers are those whose distribution is not free and that are published at least seven days a week.

Sector:	Manufacture of Goods
Sub-Sector:	Explosives, fireworks, firearms and cartridges
Industry Classification:	CMAP 352236 Manufacture of Explosives and Fireworks CMAP 382208 Manufacture of Firearms and Cartridges
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.
Description:	<p><u>Investment</u></p> <p>An investors of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico that manufactures explosives, fireworks, firearms, cartridges, and ammunition, excluding the preparation of explosive mixtures for industrial and extractive activities.</p>

Sector:	Fishing
Sub-Sector:	Fishing-related services
Industry Classification:	CMAP 1300 Fishing
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4)
Level of Government:	Central
Measures:	<p>Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32.</p> <p>General Law on Sustainable Fishing and Aquaculture (<i>Ley General de Pesca y Acuacultura Sustentables</i>), Title Six, Chapter IV; Title Seven, Chapter II.</p> <p>Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title I, Chapter I; Title II, Chapter IV, Title Three, Chapter II.</p> <p>Ports Law (<i>Ley de Puertos</i>), Chapters I, IV and VI.</p> <p>Regulations to the Fishing Law (<i>Reglamento de la Ley de Pesca</i>), Title Two, Chapter I; Chapter II, Sixth Section.</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A permit issued by the Secretariat of Agriculture, Livestock, Rural Development, Fisheries, and Food (<i>Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca, y Alimentación, SAGARPA</i>) through the National Commission of Aquaculture and Fishing (<i>Comisión Nacional de Acuacultura y Pesca, CONAPESCA</i>); or by the SCT, within the scope of their competence, is required to engage in fishing activities.</p> <p>A permit issued by SAGARPA is required to carry out activities, such as fishing jobs needed to justify applications for a concession, and the installation of fixed fishing gear in federal waters. This permit shall be given preferentially to residents of local communities. In equal circumstances, an application from an indigenous community shall be preferred.</p> <p>An authorization issued by the SCT is required for foreign-flagged vessels to provide dredging services.</p> <p>A permit issued by the SCT is required to supply port services related to fishing, like loading operations and supply vessels, maintenance of communication equipment, electricity works,</p>

garbage or waste collection and sewage disposal. Only a Mexican national or a Mexican enterprise may obtain such permit.

Sector:	Fishing
Sub-Sector:	Fishing
Industry Classification:	CMAP 130011 Fishing on the High Seas CMAP 130012 Coastal Fishing CMAP 130013 Fresh Water Fishing
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	<p>General Law on Sustainable Fishing and Aquaculture (<i>Ley General de Pesca y Acuacultura Sustentables</i>), Title VI, Chapter IV; Title VII, Chapter I; Title XIII, Unique Chapter; Title XIV, Chapters I, II and III.</p> <p>Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title II, Chapter I.</p> <p>Sea Federal Law (<i>Ley Federal del Mar</i>), Title I, Chapters I and III.</p> <p>National Waters Law (<i>Ley de Aguas Nacionales</i>), Title I, and Title IV, Chapter I.</p> <p>Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.</p> <p>Regulations to the Fishing Law (<i>Reglamento de la Ley de Pesca</i>), Title I, Chapter I; Title II, Chapters I, III, IV, V, and VI; Title III, Chapters III and IV.</p>
Description:	<p><u>Investment</u></p> <p>An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico performing coastal fishing, fresh water fishing, and fishing in the Exclusive Economic Zone, excluding aquaculture.</p> <p>A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico performing fishing on the high seas.</p>

Sector:	Educational Services
Sub-Sector:	Private schools
Industry Classification:	CMAP 921101 Private Pre-school Educational Services CMAP 921102 Private Primary Educational Services CMAP 921103 Private Secondary Educational Services CMAP 921104 Private High School Educational Services CMAP 921105 Private Higher Education Services CMAP 921106 Private Education Services that Combine Pre-school, Primary, Secondary, High School and Higher Education Levels
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. Law for the Coordination of Higher Education (<i>Ley para la Coordinación de la Educación Superior</i>), Chapter II. General Law of Education (<i>Ley General de Educación</i>), Chapter III.
Description:	<u>Investment</u> A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico that provides pre-school, primary, secondary, high school, higher, and combined private educational services.

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Medical services
Industry Classification:	CMAP 9231 Medical, Dental and Veterinary Services provided by the Private Sector (limited to medical services)
Obligations Concerned:	National Treatment (Article 15.3)
Level of Government:	Central
Measures:	Federal Labor Law (<i>Ley Federal del Trabajo</i>), Chapter I.
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>Only a Mexican national licensed as doctor in the territory of Mexico may supply in-house medical services in Mexican enterprises.</p>

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Specialized personnel
Industry Classification:	CMAP 951012 Services of Customs and Representative Agencies
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3)
Level of Government:	Central
Measures:	Customs Law (<i>Ley Aduanera</i>), Title II, Chapters I and III, and Title VII, Chapter I. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter II.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Only a Mexican national by birth may be a customs broker.</p> <p>Only a custom broker acting as consignee or legal representative (mandatario) of an importer or exporter, as well as a customs broker's assignee, may carry out the formalities related to the customs clearance of the goods of such importer or exporter.</p> <p>An investor of another Party or its investments may not participate, directly or indirectly, in a customs broker's agency.</p>

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Specialized services (Commercial Notary Public)
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Commercial Notary Public Federal Law (<i>Ley Federal de Correduría Pública</i>), Articles 7, 8, 12 and 15. Regulations to the Commercial Notary Public Federal Law (<i>Reglamento de la Ley Federal de Correduría Pública</i>), Chapter I, and Chapter II, Sections I and II. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter II.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Only a Mexican national by birth may be licensed to be a commercial notary public (<i>corredor público</i>).</p> <p>A commercial notary public may not have a business affiliation with any person for the supply of commercial notary public services.</p> <p>A commercial notary public shall establish an office in the place where he has been authorized to practice.</p> <p>Only a Mexican national or a Mexican enterprise with foreigners' exclusion clause may obtain such license. Foreign investment may not participate in commercial notary public activities and companies, directly or through trusts, agreements, social pacts, or statutory, pyramiding schemes, or other mechanism that gives it some control or participation.</p>

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Professional services
Industry Classification:	CMAP 951002 Legal Services (including foreign legal consultancy)
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Most-Favored-Nation Treatment (Article 14.5 and Article 15.4)
Level of Government:	Central
Measures:	Regulatory Law of Constitutional Article 5th relating to the Practice of Professions in Mexico City (<i>Ley Reglamentaria del Artículo 5º Constitucional, relativo al Ejercicio de las Profesiones en la Ciudad de México</i>), Chapter III, Section III, and Chapter V. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.

Description: Investment and Cross-Border Trade in Services

A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico to supply legal services.

In the absence of an international agreement on the matter, the professional practice by a foreigner will be subject to reciprocity in the place of residence of the applicant and to compliance with the rest of the requirements established in Mexican laws and regulations.

Except as provided for in this entry, only a lawyer licensed in Mexico may have an ownership interest in a law firm established in the territory of Mexico.

A lawyer licensed to practice in another Party will be permitted to form a partnership with lawyers licensed in Mexico.

The number of lawyers licensed to practice in another Party serving as partners in a firm in Mexico may not exceed the number of lawyers licensed in Mexico serving as partners of that firm. Lawyers licensed to practice in another Party may practice and provide legal consultations on Mexican law, whenever they comply with the requirements to practice as a lawyer in Mexico.

A law firm established by a partnership of lawyers licensed to practice in another Party and lawyers licensed to practice in Mexico may hire lawyers licensed in Mexico as employees.

For greater certainty, this entry does not apply to the supply, on a temporary fly-in, fly-out basis or through the use of web based or telecommunications technology, of legal advisory services in foreign law and international law and, in relation to foreign and international law only, legal arbitration and conciliation or mediation services by foreign lawyers.

Sector:	Professional, Technical and Specialized Services
Sub-Sector:	Professional services
Industry Classification:	CMAP 9510 Provision of Professional, Technical and Specialized Services (limited to professional services)
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4)
Level of Government:	Central
Measures:	Regulatory Law of Constitutional Article 5th relating to the Practice of Professions in Mexico City (<i>Ley reglamentaria del Artículo 5º Constitucional, relativo al Ejercicio de las Profesiones en la Ciudad de México</i>), Chapter III, Section III, and Chapter V. Regulations to the Regulatory Law of Constitutional Article 5th relating to the Practice of Professions in Mexico City (<i>Reglamento de la Ley Reglamentaria del Artículo 5º Constitucional, relativo al Ejercicio de las Profesiones en la Ciudad de México</i>), Chapter III. Population General Law (<i>Ley General de Población</i>), Chapter III.
Description:	<u>Cross-Border Trade in Services</u> Pursuant to the relevant international treaties of which Mexico is a party, a foreigner may practice in Mexico City the professions set forth in the Regulatory Law of Constitutional Article 5 th relating to the Practice of Professions in Mexico City. In the absence of an international treaty on the matter, the professional practice by foreigners will be subject to reciprocity in the place of residence of the applicant and to compliance with the rest of the requirements established in Mexican laws and regulations.

Sector:	Religious Services
Sub-Sector:	
Industry Classification:	CMAP 929001 Services of Religious Organizations
Obligations Concerned:	Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Religious Associations and Public Worship Law (<i>Ley de Asociaciones Religiosas y Culto Público</i>), Title II, Chapters I and II.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>Representatives of a religious association in Mexico must be Mexican nationals.</p> <p>A religious association must be an association constituted in accordance with the Religious Associations and Public Worship Law (<i>Ley de Asociaciones Religiosas y Culto Público</i>).</p> <p>A religious association must register with the Ministry of Internal Affairs (<i>Secretaría de Gobernación</i>). To be registered, the religious association must be established in Mexico.</p>

Sector:	Agriculture Services
Sub-Sector:	
Industry Classification:	CMAP 971010 Provision of Agricultural Services
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32. Plant Health Federal Law (<i>Ley Federal de Sanidad Vegetal</i>), Title II, Chapter IV. Regulations to the Phytosanitary Law of the United Mexican States (<i>Reglamento de la Ley de Sanidad Fitopecuaria de los Estados Unidos Mexicanos</i>), Chapter VII.
Description:	<u>Cross-Border Trade in Services</u> A concession granted by the Ministry of Agriculture, Livestock, Rural Development, Fishing, and Food (<i>Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación, SAGARPA</i>) is required to spray pesticides. Only a Mexican national or a Mexican enterprise may obtain such a concession.

Sector:	Transportation
Sub-Sector:	Air transportation
Industry Classification:	CMAP 384205 Manufacture, Assembly and Repair of Aircraft (limited to repair of aircrafts)
Obligations Concerned:	Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Civil Aviation Law (<i>Ley de Aviación Civil</i>), Chapter III, Section II. Civil Aviation Regulations (<i>Reglamento de la Ley de Aviación Civil</i>), Chapter VII.
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A permit issued by the SCT is required to establish and operate, or operate and exploit, an aircraft repair facility and centers for teaching and training of personnel.</p> <p>To obtain that permission the interested party must prove that the aircraft repair facilities and centers for teaching and training of personnel have their domicile in Mexico.</p>

Sector:	Transportation
Sub-Sector:	Air transportation
Industry Classification:	CMAP 973302 Airport and Heliport Management Services
Obligations Concerned:	National Treatment (Article 14.4) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<p>Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32.</p> <p>General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters I, II and III.</p> <p>Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III.</p> <p>Civil Aviation Law (<i>Ley de Aviación Civil</i>), Chapters I and IV.</p> <p>Airports Law (<i>Ley de Aeropuertos</i>), Chapter III</p> <p>Regulations to the Airports Law (<i>Reglamento de la Ley de Aeropuertos</i>), Title II, Chapters I, II and III.</p>
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>A concession granted by the SCT is required to construct and operate, or operate, airports and heliports. Only a Mexican enterprise may obtain such a concession.</p> <p>A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico that is a concessionaire or permissionaire of airfields for public service.</p> <p>When deciding, the CNIE will consider that the national and technological development be favored, and that the sovereign integrity of the Nation be protected.</p>

Sector:	Transportation
Sub-Sector:	Air transportation
Industry Classification:	CMAP 713001 Scheduled Air Transport Services on Domestically Registered Aircraft CMAP 713002 Non-Scheduled Air Transport (Air Taxis) Specialty air services
Obligations Concerned:	National Treatment (Article 14.4) Senior Management and Boards of Directors (Article 14.11)
Level of Government:	Central
Measures:	Civil Aviation Law (<i>Ley de Aviación Civil</i>), Chapters IX and X Regulations to the Civil Aviation Law (<i>Reglamento de la Ley de Aviación Civil</i>), Title II, Chapter I. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. As qualified by the Description element.
Description:	<p><u>Investment</u></p> <p>An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the voting interests in an enterprise established or to be established in the territory of Mexico that supplies a scheduled and non-scheduled domestic air transport service, a non-scheduled international air transport service in the modality of air taxi, or a specialty air service. The chairman and at least two-thirds of the boards of directors and two-thirds of the managing officers of such an enterprise must be Mexican nationals.</p> <p>Only a Mexican national or a Mexican enterprise in which 51 percent of the voting interest is owned or controlled by Mexican nationals and of which the chairman and at least two-thirds of the managing officers are Mexican nationals, may register an aircraft in Mexico.</p>

Sector:	Transportation
Sub-Sector:	Specialty air services
Industry Classification:	
Obligations Concerned:	Local Presence (Article 15.6)
Level of Government:	Central
Measures:	General Means of Communications Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapter III. Civil Aviation Law (<i>Ley de Aviación Civil</i>), Chapters I, II, IV and IX. As qualified by the Description element
Description:	<u>Cross Border Trade in Services</u> A permit issued by the SCT is required to provide all specialty air services in the territory of Mexico. Such a permit may only be granted when the person interested in the supply of these services has a domicile in the territory of Mexico.

Sector:	Transportation
Sub-Sector:	Water transportation
Industry Classification:	CMAP 973203 Maritime Port Administration, Lake and Rivers
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Ports Law (<i>Ley de Puertos</i>), Chapters IV and V Regulations to the Ports Law (<i>Reglamento de la Ley de Puertos</i>) Title I, Chapters I and VI Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III
Description:	<u>Investment</u> An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest of a Mexican enterprise authorized to act as an integral port administrator.

Sector:	Transportation
Sub-Sector:	Water transportation
Industry Classification:	CMAP 384201 Manufacture and Repair of Vessels
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32. General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters I, II and III. Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title I, Chapter II. Ports Law (<i>Ley de Puertos</i>), Chapter IV.
Description:	<u>Cross-Border Trade in Services</u> A concession granted by the SCT is required to establish and operate, or operate, a shipyard. Only a Mexican national or a Mexican enterprise may obtain such a concession.

Sector:	Transportation
Sub-Sector:	Water transportation
Industry Classification:	CMAP 973201 Water Transport Loading and Unloading Services (includes operation and maintenance of docks; loading and unloading of vessels at shore-side; marine cargo handling; operation and maintenance of piers; ship and boat cleaning; stevedoring; transfer of cargo between ships and trucks, trains, pipelines and wharves; waterfront terminal operations)
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<p>Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32.</p> <p>Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title I, Chapter II, and Title II, Chapters IV and V.</p> <p>Ports Law (<i>Ley de Puertos</i>), Chapters II, IV and VI.</p> <p>General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters I, II and III.</p> <p>Regulations to the Use and Enjoyment of the Territorial Sea, Water Ways, Beaches, Relevant Federal Coastal Zone and Lands Gained to the Sea (<i>Reglamento para el Uso y Aprovechamiento del Mar Territorial, Vías Navegables, Playas, Zona Federal Marítimo Terrestre y Terrenos Ganados al Mar</i>), Chapter II, Section II.</p> <p>As qualified by the Description element.</p>
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise, established or to be established in the territory of Mexico supplying port services to vessels for inland navigation such as towing, mooring, and tendering.</p> <p>A concession granted by the SCT is required to build and operate, or operate, maritime and inland port terminals, including docks, cranes, and related facilities. Only a Mexican national and a Mexican enterprise may obtain such a concession.</p>

A permit issued by the SCT is required to supply stevedoring and warehousing services. Only a Mexican national or a Mexican enterprise may obtain such a permit.

Sector:	Transportation
Sub-Sector:	Water transportation
Industry Classification:	CMAP 973203 Maritime and Inland (Lake and Rivers Ports Administration)
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title III, Chapter III. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. Ports Law (<i>Ley de Puertos</i>), Chapters IV and VI.
Description:	<u>Investment</u> An investor of another Party or its investments may only participate, directly or indirectly, up to 49 percent in Mexican enterprises engaged in the supply of piloting port services to vessels operating in inland navigation.

Sector:	Transportation
Sub-Sector:	Water transportation
Industry Classification:	CMAP 712011 International Maritime Transportation Services CMAP 712012 Cabotage Maritime Services CMAP 712013 International and Cabotage Towing Services CMAP 712021 River and Lake Transportation Services CMAP 712022 Internal Port Water Transportation Services
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Most-Favored-Nation Treatment (Article 14.5 and Article 15.4)
Level of Government:	Central
Measures:	Navigation and Maritime Commerce Law (<i>Ley de Navegación y Comercio Marítimos</i>), Title III, Chapter I. Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. Economic Competition Federal Law (<i>Ley Federal de Competencia Económica</i>), Chapter IV. As qualified by the Description element.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>The operation or exploitation of high-seas navigation vessels, including transport and international towing services, is open to ship-owners and vessels of all countries, on the basis of reciprocity according to international treaties. With the prior opinion of the Federal Competition Commission (<i>Comisión Federal de Competencia Económica, COFECE</i>), SCT may reserve, totally or partially, certain international high-seas freight transportation services, which could only be carried out by Mexican shipping enterprises with Mexican-flagged vessels or vessels reputed as such when the principles of free competition are not respected or the national economy is affected. For greater certainty the previous sentence does not apply to Canada.</p> <p>The operation and exploitation of cabotage and inland navigation is reserved for Mexican ship-owners with Mexican vessels. When Mexican vessels are not appropriate and available with the same technical conditions, or it is required by the public interest, the SCT may provide temporary navigation permits to operate and exploit to Mexican ship-owners with a foreign vessel in accordance with the following priorities:</p>

- (a) Mexican ship-owner with a foreign vessel under a bareboat charter party; and
- (b) Mexican ship-owner with a foreign vessel under any type of charter party.

The operation and exploitation in inland navigation and cabotage of tourist cruises as well as dredges and maritime devices for the construction, preservation, and operation of ports may be carried out by Mexican or foreign shipping enterprises using Mexican or foreign vessels or maritime devices, on the basis of reciprocity with a Party, endeavoring to give priority to Mexican enterprises and complying with applicable laws.

With the prior opinion of the COFECE, the SCT may resolve that totally or partially, certain cabotage or high-seas navigation could only be carried by Mexican shipping enterprises with Mexican vessels or reputed as such in the absence of conditions of effective competition on the relevant market as per the terms of the Economic Competition Federal Law.

An investor of another Party or its investments may only own, directly or indirectly, up to 49 percent of the ownership interest in a Mexican shipping enterprise or Mexican vessels, established or to be established in the territory of Mexico, which is engaged in the commercial exploitation of vessels for inland and cabotage navigation, excluding tourism cruises and exploitation of dredges and maritime devices for the construction, preservation, and operation of ports.

A favorable resolution from the CNIE is required for an investor of another Party or its investments to own, directly or indirectly, more than 49 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico engaged in high-seas navigation services and port towing services.

Sector:	Transportation
Sub-Sector:	Non-energy pipelines
Industry Classification:	
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32. General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters I, II and III. National Waters Law (<i>Ley de Aguas Nacionales</i>), Title I, Chapter II, and Title IV, Chapter II.
Description:	<u>Cross-Border Trade in Services</u> A concession granted by the SCT is required to construct and operate, or operate, pipelines carrying goods other than energy or basic petrochemicals. Only a Mexican national or a Mexican enterprise may obtain such a concession.

Sector:	Transportation
Sub-Sector:	Railway transportation services
Industry Classification:	CMAP 711101 Railway Transport Services
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter III. Regulatory Law of the Railway Service (<i>Ley Reglamentaria del Servicio Ferroviario</i>) Chapters I and II, Section III. Regulations to the Railway Service (<i>Reglamento del Servicio Ferroviario</i>), Title I, Chapters I, II and III, Title II, Chapters I and IV, and Title III, Chapter I, Sections I and II.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>A favorable resolution from the CNIE is required for an investor of another Party or its investments to participate, directly or indirectly, in more than 49 percent of the ownership interest of an enterprise established or to be established in the territory of Mexico engaged in the construction, operation, and exploitation of railroads deemed general means of communication, or in the supply of railway transportation public service.</p> <p>When deciding, the CNIE will consider that the national and technological development be favored, and that the sovereign integrity of the Nation be protected.</p> <p>A concession granted by the SCT is required to build, operate and exploit railway transportation services and to provide railway transportation public service. Only a Mexican enterprise may obtain such a concession.</p> <p>A permit issued by the SCT is required to provide auxiliary services; the construction of entry and exit facilities, crossings, and marginal facilities in the right of way; the installation of advertisements and publicity signs in the right of way; and the construction and operation of bridges over railway lines. Only a Mexican national or a Mexican enterprise may obtain such a permit.</p>

Sector:	Transportation
Sub-Sector:	Land transportation
Industry Classification:	CMAP 973101 Management Services of Passenger Bus Terminals and Auxiliary Services (limited to main bus and truck terminals and bus and truck stations)
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter III. Regulations to the Enjoyment of the Right of Way of the Federal Roads and Surrounding Zones (<i>Reglamento para el Aprovechamiento del Derecho de Vía de las Carreteras Federales y Zonas Aledañas</i>), Chapters II and IV. Regulations to the Federal Road Transport and Auxiliary Services (<i>Reglamento de Autotransporte Federal y Servicios Auxiliares</i>), Chapter I.
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>A permit issued by the SCT is required to establish, or operate, a bus or truck station or terminal. Only a Mexican national or a Mexican enterprise may obtain such a permit.</p> <p>To obtain such permit the interested party must prove that it has its domicile in Mexico.</p>

Sector:	Transportation
Sub-Sector:	Land transportation
Industry Classification:	CMAP 973102 Management Services of Roads, Bridges and Auxiliary Services
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Political Constitution of the United Mexican States (<i>Constitución Política de los Estados Unidos Mexicanos</i>), Article 32. Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter III. Regulations to the Federal Road Transport and Auxiliary Services (<i>Reglamento de Autotransporte Federal y Servicios Auxiliares</i>), Chapters I and V.
Description:	<u>Cross-Border Trade in Services</u> A permit granted by the SCT is required to provide auxiliary services to federal road transportation. Only a Mexican national or a Mexican enterprise may obtain such a permit. For greater certainty, auxiliary services are not part of federal road transportation of passengers, tourism, or cargo, but they complement their operation and exploitation.

Sector:	Transportation
Sub-Sector:	Land transportation
Industry Classification:	CMAP 711201 Construction Materials Transport Services CMAP 711202 Moving Services CMAP 711203 Other Specialized Freight Transport Services CMAP 711204 General Freight Transport Services CMAP 711311 Long-Distance Passenger Bus and Coach Transport Services CMAP 711318 School and Tourist Transport Services (limited to tourist transport services) CMAP 720002 Courier services
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter II. Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter I and III. Regulations to the Federal Road Transport and Auxiliary Services (<i>Reglamento de Autotransporte Federal y Servicios Auxiliares</i>), Chapter I. As qualified by the Description element.
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>An investor of another Party or its investments may not own, directly or indirectly, an ownership interest in an enterprise established or to be established in the territory of Mexico, engaged in transportation services of domestic cargo between points in the territory of Mexico, except for parcel and courier services.</p> <p>A permit issued by the SCT is required to supply a road transportation service of cargo, passengers, or tourism.</p> <p>An investor of another Party or its investments may own up to 100 percent of the ownership interest in an enterprise established or to be established in the territory of Mexico to supply an inter-city bus service, a tourist transportation service or a road transportation service of international cargo between points in the territory of Mexico.</p>

Only a Mexican national or a Mexican enterprise with a foreigners' exclusion clause, using Mexican registered equipment that is Mexican-built or legally imported, and drivers who are Mexican nationals, may supply a road transportation service of domestic cargo services between points in the territory of Mexico.

A permit issued by the SCT is required to supply parcel and courier services. Only a Mexican national and a Mexican enterprise may supply such services.

Sector:	Transportation
Sub-Sector:	Railway transportation services
Industry Classification:	CMAP 711101 Transport Services Via Railway (limited to railway crew)
Obligations Concerned:	National Treatment (Article 15.3)
Level of Government:	Central
Measures:	Federal Labor Law (<i>Ley Federal del Trabajo</i>), Title VI, Chapter V.
Description:	<u>Cross-Border Trade in Services</u> Railway crew members must be Mexican nationals.

Sector:	Transportation
Sub-Sector:	Land transportation
Industry Classification:	CMAP 711312 Urban and Suburban Passenger Bus and Coach Transport Services CMAP 711315 Motor Vehicle Taxi Transport Services CMAP 711316 Motor Vehicle Fixed Route Transport Services CMAP 711317 Transport Services in Motor Vehicles from Taxi-Ranks CMAP 711318 School and Tourist Transport Services (limited to school transport services)
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3)
Level of Government:	Central
Measures:	Foreign Investment Law (<i>Ley de Inversión Extranjera</i>), Title I, Chapter II. General Means of Communication Law (<i>Ley de Vías Generales de Comunicación</i>), Book I, Chapters I and II. Roads, Bridges and Federal Road Transport Law (<i>Ley de Caminos, Puentes y Autotransporte Federal</i>), Title I, Chapter III. Regulations to the Federal Road Transport and Auxiliary Services (<i>Reglamento de Autotransporte Federal y Servicios Auxiliares</i>), Chapter I.
Description:	<u>Investment and Cross-Border Trade in Services</u> Only a Mexican national or a Mexican enterprise with a foreigners' exclusion clause may supply local urban and suburban passenger bus services, school bus services, and taxi and other collective transportation services.

Sector:	Communications
Sub-Sector:	Entertainment services (Cinema)
Industry Classification:	CMAP 941103 Private Exhibition of Films
Obligations Concerned:	Most-Favored-Nation Treatment (Article 14.5 and Article 15.4) National Treatment (Article 15.3)
Level of Government:	Central
Measures:	Federal Cinematography Law (<i>Ley Federal de Cinematografía</i>), Chapter III. Regulations to the Federal Cinematography Law (Reglamento de la Ley Federal de Cinematografía), Chapter V.
Description:	<u>Investment and Cross-Border Trade in Services</u> Exhibitors shall reserve 10 percent of the total screen time to the projection of national films.

Sector:	All
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 14.4 and Article 15.3) Most-Favored-Nation Treatment (Article 14.5 and Article 15.4) Performance Requirements (Article 14.10) Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6)
Level of Government:	Regional
Measures:	All existing non-conforming measures of all states of the United Mexican States.
Description:	<u>Investment and Cross-Border Trade in Services</u>

ANNEX I

INTRODUCTORY NOTE

1. **Description** provides a general, nonbinding description of the measure for which the entry is made.
2. In accordance with Articles 14.12 (Non-Conforming Measures) and 15.7 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the non-conforming aspects of the law, regulation, or other measure identified in the **Measures** element of that entry.

ANNEX I

SCHEDULE OF THE UNITED STATES

Sector: Atomic Energy

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)

Level of Government: Central

Measures: *Atomic Energy Act of 1954*, 42 U.S.C. §§ 2011 et seq.

Description: Investment

A license issued by the United States Nuclear Regulatory Commission is required for any person in the United States to transfer or receive in interstate commerce, manufacture, produce, transfer, use, import, or export any nuclear “utilization or production facilities” for commercial or industrial purposes. Such a license may not be issued to any entity known or believed to be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government (42 U.S.C. § 2133(d)). A license issued by the United States Nuclear Regulatory Commission is also required for nuclear “utilization and production facilities”, for use in medical therapy, or for research and development activities. The issuance of such a license to any entity known or believed to be owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government is also prohibited (42 U.S.C. § 2134(d)).

Sector:	Business Services
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<i>Export Trading Company Act of 1982</i> , 15 U.S.C. §§ 4011-4021 <i>Export Trade Certificates of Review</i> , 15 C.F.R. Part 325
Description:	<u>Cross-Border Trade in Services</u>

Title III of the *Export Trading Company Act of 1982* authorizes the Secretary of Commerce to issue “certificates of review” with respect to export conduct. The Act provides for the issuance of a certificate of review where the Secretary determines, and the Attorney General concurs, that the export conduct specified in an application will not have the anticompetitive effects proscribed by the Act. A certificate of review limits the liability under federal and state antitrust laws in engaging in the export conduct certified.

Only a “person” as defined by the Act can apply for a certificate of review. “Person” means “an individual who is a resident of the United States; a partnership that is created under and exists pursuant to the laws of any State or of the United States; a State or local government entity; a corporation, whether organized as a profit or nonprofit corporation, that is created under and exists pursuant to the laws of any State or of the United States; or any association or combination, by contract or other arrangement, between such persons”.

A foreign national or enterprise may receive the protection provided by a certificate of review by becoming a “member” of a qualified applicant. The regulations define “member” to mean “an entity (U.S. or foreign) that is seeking protection under the certificate with the applicant. A member may be a partner in a partnership or a joint venture; a shareholder of a corporation; or a participant in an association, cooperative, or other form of profit or nonprofit organization or relationship, by contract or other arrangement”.

Sector:	Business Services
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 15.3) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	<p><i>Export Administration Act of 1979, as amended</i>, 50 U.S.C. App. §§ 2401-2420</p> <p><i>International Emergency Economic Powers Act</i>, 50 U.S.C. §§ 1701-1706</p> <p><i>Export Administration Regulations</i>, 15 C.F.R. Parts 730-774</p> <p><i>Export Control Reform Act of 2018</i>, Pub. L. 115-232, Title 17, subtitle B, 132 Stat. 2208 (2018)</p>
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>Certain exports and re-exports of commodities, software, and technology subject to the Export Administration Regulations require a license from the Bureau of Industry and Security, U.S. Department of Commerce (BIS). Certain activities of U.S. persons, wherever located, also require a license from BIS. An application for a license must be made by a person in the United States.</p> <p>In addition, release of controlled technology to a foreign national in the United States is deemed to be an export to the home country of the foreign national and requires the same written authorization from BIS as an export from the territory of the United States.</p>

Sector:	Mining
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4) Most-Favored-Nation Treatment (Article 14.5)
Level of Government:	Central
Measures:	<i>Mineral Lands Leasing Act of 1920</i> , 30 U.S.C. Chapter 3A 10 U.S.C. § 7435
Description:	<p><u>Investment</u></p> <p>Under the <i>Mineral Lands Leasing Act of 1920</i>, aliens and foreign corporations may not acquire rights-of-way for oil or gas pipelines, or pipelines carrying products refined from oil and gas, across on-shore federal lands or acquire leases or interests in certain minerals on on-shore federal lands, such as coal or oil. Non-U.S. citizens may own a 100 percent interest in a domestic corporation that acquires a right-of-way for oil or gas pipelines across on-shore federal lands, or that acquires a lease to develop mineral resources on on-shore federal lands, unless the foreign investor's home country denies similar or like privileges for the mineral or access in question to U.S. citizens or corporations, as compared with the privileges it accords to its own citizens or corporations or to the citizens or corporations of other countries (30 U.S.C. §§ 181, 185(a)).</p> <p>Nationalization is not considered to be denial of similar or like privileges.</p> <p>Foreign citizens, or corporations controlled by them, are restricted from obtaining access to federal leases on Naval Petroleum Reserves if the laws, customs, or regulations of their country deny the privilege of leasing public lands to citizens or corporations of the United States (10 U.S.C. § 7435).</p>

Sector: All Sectors

Sub-Sector:

Obligations Concerned: National Treatment (Article 14.4)
Most-Favored-Nation Treatment (Article 14.5)

Level of Government: Central

Measures: 22 U.S.C. §§ 2194 and 2198(c)

Description: Investment

Overseas Private Investment Corporation (OPIC) programs are not available to non-U.S. citizens as individuals. The availability of these programs to foreign enterprises and foreign owned or controlled domestic enterprises depends upon the extent of U.S. ownership or other U.S. participation, as well as the form of business organization.

OPIC insurance and loan guaranties are available only to eligible investors, which are: (i) United States citizens; (ii) corporations, partnerships, or other associations, including non-profit associations, created under the laws of the United States, any state or territory thereof, or the District of Columbia, and substantially beneficially owned by United States citizens; and (iii) foreign partnerships or associations 100 percent owned, or foreign corporations at least 95 percent owned, by one or more such United States citizens, corporations, partnerships, or associations.

OPIC may issue insurance to investors not otherwise eligible in connection with arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations and institutions, such as the Multilateral Investment Guarantee Agency, for sharing liabilities assumed under such investment insurance, except that the maximum share of liabilities so assumed may not exceed the proportionate participation by eligible investors in the project.

Sector:	Air Transportation
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4) Most-Favored-Nation Treatment (Article 14.5) Senior Management and Boards of Directors (Article 14.11)
Level of Government:	Central
Measures:	49 U.S.C. Subtitle VII, <i>Aviation Programs</i> 14 C.F.R. Part 297 (foreign freight forwarders); 14 C.F.R. Part 380, Subpart E (registration of foreign (passenger) charter operators)
Description:	<p><u>Investment</u></p> <p>Only air carriers that are “citizens of the United States” may operate aircraft in domestic air service (cabotage) and may provide international scheduled and non-scheduled air service as U.S. air carriers.</p> <p>U.S. citizens also have blanket authority to engage in indirect air transportation activities (air freight forwarding and passenger charter activities other than as actual operators of the aircraft). In order to conduct such activities, non-U.S. citizens must obtain authority from the Department of Transportation. Applications for such authority may be rejected for reasons relating to the failure of effective reciprocity, or if the Department of Transportation finds that it is in the public interest to do so.</p> <p>Under 49 U.S.C. § 40102(a)(15), a citizen of the United States means an individual who is a U.S. citizen; a partnership in which each member is a U.S. citizen; or a U.S. corporation of which the president and at least two-thirds of the board of directors and other managing officers are U.S. citizens, which is under the actual control of U.S. citizens, and in which at least seventy-five percent of the voting interest in the corporation is owned or controlled by U.S. citizens.</p>

Sector:	Air Transportation
Sub-Sector:	
Obligations Concerned:	National Treatment (Articles 14.4 and 15.3) Most-Favored-Nation Treatment (Articles 14.5 and 15.4) Senior Management and Boards of Directors (Article 14.11)
Level of Government:	Central
Measures:	49 U.S.C., Subtitle VII, <i>Aviation Programs</i> 49 U.S.C. § 41703 14 C.F.R. Part 375
Description:	<p><u>Investment</u></p> <p>“Foreign civil aircraft” require authority from the Department of Transportation to conduct specialty air services in the territory of the United States. In determining whether to grant a particular application, the Department will consider, among other factors, the extent to which the country of the applicant’s nationality accords U.S. civil aircraft operators effective reciprocity. “Foreign civil aircraft” are aircraft of foreign registry or aircraft of U.S. registry that are owned, controlled, or operated by persons who are not citizens or permanent residents of the United States (14 C.F.R. § 375.1). Under 49 U.S.C. § 40102(a)(15), a citizen of the United States means an individual who is a U.S. citizen; a partnership in which each member is a U.S. citizen; or a U.S. corporation of which the president and at least two-thirds of the board of directors and other managing officers are U.S. citizens, which is under the actual control of U.S. citizens, and in which at least seventy-five percent of the voting interest in the corporation is owned or controlled by U.S. citizens.</p> <p><u>Cross-Border Trade in Services</u></p> <p>Authorization from the Department of Transportation is required for the supply of specialty air services in the territory of the United States. A person of a Party will be able to obtain such an authorization if the Party provides effective reciprocity by virtue of this Agreement.</p>

Sector:	Land Transportation
Sub-Sector:	
Obligations Concerned:	National Treatment (Articles 14.4 and 15.3) Most-Favored-Nation Treatment (Article 14.5 and 15.4) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	49 U.S.C. § 13902(c) 49 U.S.C. § 13102 49 U.S.C. § 13501 49 C.F.R. Subtitle B, Chapter III Sec. 350, P.L. 107-87, as amended Sec. 6901, P.L. 110-28, as amended
Description:	<p><u>Investment</u></p> <p>Grants of authority for the provision of truck services by persons of Mexico between points in the United States for the transportation of goods other than international cargo are subject to reciprocity.</p> <p><u>Investment and Cross-Border Trade in Services</u></p> <p>Only persons of the United States, using U.S.-registered and either U.S.-built or duty-paid trucks or buses, may provide truck or bus services between points in the territory of the United States.</p> <p>Operating authority from the Department of Transportation is required to provide cross-border bus or truck services in the territory of the United States. For greater certainty, the United States may maintain the regulatory requirements in 49 C.F.R. Subtitle B, Chapter III, or similar successor regulatory requirements.</p>

Sector: Transportation Services - Customs Brokers

Sub-Sector:

Obligations Concerned: National Treatment (Articles 14.4 and 15.3)
Local Presence (Article 15.6)

Level of Government: Central

Measures: 19 U.S.C. § 1641(b)

Description: Investment and Cross-Border Trade in Services

A customs broker's license is required to conduct customs business on behalf of another person. An individual may obtain such a license only if that individual is a U.S. citizen. A corporation, association, or partnership may receive a customs broker's license only if it is established under the laws of any state and at least one officer of the corporation or association, or one member of the partnership, holds a valid customs broker's license.

Sector:	All Sectors
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4) Most-Favored-Nation Treatment (Article 14.5)
Level of Government:	Central
Measures:	<p><i>Securities Act of 1933</i>, 15 U.S.C. §§ 77c(b), 77f, 77g, 77h, 77j, and 77s(a)</p> <p>17 C.F.R. §§ 230.251 and 230.405</p> <p><i>Securities Exchange Act of 1934</i>, 15 U.S.C. §§ 78l, 78m, 78o(d), and 78w(a)</p> <p>17 C.F.R. § 240.12b-2</p>
Description:	<p><u>Investment</u></p> <p>Foreign firms, except for certain Canadian issuers, may not use the small business registration forms under the <i>Securities Act of 1933</i> to register public offerings of securities or the small business registration forms under the <i>Securities Exchange Act of 1934</i> to register a class of securities or file annual reports.</p>

Sector:	Communications – Radiocommunications*
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 14.4)
Level of Government:	Central
Measures:	47 U.S.C. § 310 (a)-(b) Foreign Participation Order 12 FCC Rcd 23891, paras. 97-118 (1997)
Description:	<p><u>Investment</u></p> <p>The United States restricts ownership of radio licenses in accordance with the above statutory and regulatory provisions, which provide that, <i>inter alia</i>:</p> <ul style="list-style-type: none"> (a) no station license may be granted to or held by a foreign government or representative thereof; (b) no broadcast or common carrier or aeronautical en route or aeronautical fixed station license may be granted to or held by: <ul style="list-style-type: none"> (i) an alien or its representative; (ii) a corporation organized under the laws of a foreign government; or (iii) a corporation of which more than one fifth of the capital stock is owned of record or voted by an alien or its representative, a foreign government or its representative, or a corporation organized under the laws of a foreign country; and (c) absent a specific finding that that the public interest would be served by permitting foreign ownership of a broadcast license, no broadcast station license shall be granted to any corporation directly or indirectly controlled by another corporation of which more than one fourth of the capital stock is owned of record or voted by an alien or its representative, a foreign government or its representative, or a corporation organized under the laws of a foreign country.

*Radiocommunications consist of all communications by radio, including broadcasting.

Sector:	Professional Services - Patent Attorneys, Patent Agents, and Other Practice before the Patent and Trademark Office
Sub-Sector:	
Obligations Concerned:	National Treatment (Article 15.3) Most-Favored-Nation Treatment (Article 15.4) Local Presence (Article 15.6)
Level of Government:	Central
Measures:	35 U.S.C. Chapter 3 (practice before the U.S. Patent and Trademark Office) 37 C.F.R. Part 11 (representation of others before the U.S. Patent and Trademark Office)
Description:	<p><u>Cross-Border Trade in Services</u></p> <p>As a condition to be registered to practice for others before the U.S. Patent and Trademark Office (USPTO):</p> <ul style="list-style-type: none"> (a) a patent attorney must be a U.S. citizen or an alien lawfully residing in the United States (37 C.F.R. § 11.6(a)); (b) a patent agent must be a U.S. citizen, an alien lawfully residing in the United States, or a non-resident who is registered to practice in a country that permits patent agents registered to practice before the USPTO to practice in that country; the latter is permitted to practice for the limited purpose of presenting and prosecuting patent applications of applicants located in the country in which he or she resides (37 C.F.R. §11.6(c)); and (c) a practitioner in trademark and non-patent cases must be an attorney licensed in the United States, a “grandfathered” agent, an attorney licensed to practice in a country that accords equivalent treatment to attorneys licensed in the United States, or an agent registered to practice in such a country; the latter two are permitted to practice for the limited purpose of representing parties located in the country in which he or she resides (37 C.F.R. § 11.14(a)-(c)).

Sector:	All Sectors
Sub-Sector:	
Obligations Concerned:	National Treatment (Articles 14.4 and 15.3) Most-Favored-Nation Treatment (Articles 14.5 and 15.4) Performance Requirements (Article 14.10) Senior Management and Boards of Directors (Article 14.11) Local Presence (Article 15.6)
Level of Government:	Regional
Measures:	All existing non-conforming measures of all states of the United States, the District of Columbia, and Puerto Rico
Description:	<u>Investment and Cross-Border Trade in Services</u>