

Annex III: Schedule of Canada – Text of the 2023 Canada – Ukraine Free Trade Agreement

Introductory Notes

1. For Canada, in the interpretation of a reservation in Section A, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapter against which the reservation is taken. To the extent that:

- (a) the Measures element is qualified by a specific reference in the Description 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.*

2. For Canada, in the interpretation of a reservation in Section B, all elements of the reservation shall be considered.

The *Description* element shall prevail over all other elements.

Headnotes

1. Commitments under this Agreement, in the subsectors listed in this Schedule, are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.

2. To clarify Canada's commitment with respect to Article 20.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of Canada are subject to non-discriminatory limitations on juridical form.[Footnote 1](#)

3. Article 20.10(1)(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 20.5(b) (Market Access for Financial Institutions).

Section A

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Bank Act (SC 1991, c. 46), s. 524

Description:

In order to establish a bank branch, a foreign bank must be a bank in the jurisdiction under whose laws it is incorporated.

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Bank Act (SC 1991, c. 46), s. 520, 524, 540, 545

Sales or Trades (Authorized Foreign Banks) Regulations (SOR/2000-52)

Description:

A foreign bank must establish a subsidiary as a condition for accepting retail deposits. Foreign lending branches may not accept deposits.

Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Trust and Loan Companies Act (S.C. 1991, c. 45)

Bank Act (SC 1991, c. 46)

Cooperative Credit Associations Act (S.C. 1991, c. 48)

Insurance Companies Act (S.C. 1991, c. 47)

Description:

Federal laws do not permit a trust and loan company, credit union, or fraternal benefit society in Canada to be established through branches of corporations organised under a foreign country's law.

Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Bank Act (SC 1991, c. 46), s. 510, 522.16, 524

Insurance Companies Act (S.C. 1991, c. 47), s. 573, 574, 581

Description:

A bank branch must be established directly under the authorised foreign bank incorporated in the jurisdiction where the authorised foreign bank principally carries on business.

A foreign entity authorised to insure, in Canada, risks, must be established directly under the foreign insurance company incorporated in

the jurisdiction where the foreign insurance company, either directly or through a subsidiary, principally carries on business.

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Bank Act (SC 1991, c. 46), s. 520, 540, 545

Bank Act (SC 1991, c. 46), sch. I, II

Canada Deposit Insurance Corporation Act
(R.S.C., 1985, c. C-3), s. 2, 8, 17

Description:

Full service foreign bank branches and lending foreign bank branches are prohibited from becoming member institutions of the Canada Deposit Insurance Corporation.

Sector:

Financial Services

Sub-Sector:

Banking and other financial services (excluding insurance)

Obligations Concerned:

National Treatment (Article 20.3)

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Central

Measures:

Canadian Payments Act (R.S.C., 1985, c. C-21), s. 2, 4

Bank Act (SC 1991, c. 46), s. 524, 540

Description:

Lending branches of foreign banks are prohibited from being members of the Canadian Payments Association.

Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

National Treatment (Article 20.3)

Most-Favoured-Nation Treatment (Article 20.4)

Cross-Border Trade (Article 20.6)

Senior Management and Boards of Directors (Article 20.9)

Level of Government:

Regional

Measures:

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Description:

All existing non-conforming measures of all provinces and territories.

Section B

Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

Market Access for Financial Institutions (Article 20.5)

Level of Government:

Regional

Description:

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

Existing Measures:

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Sector:

Financial Services

Sub-Sector:

All

Obligations Concerned:

National Treatment (Article 20.3)

Level of Government:

Central

Description:

With regard to the Canada Mortgage and Housing Corporation and its subsidiaries, Canada reserves the right to adopt or maintain any measure that grants advantages to that entity or any new, reorganised, or transferee entity having similar functions and objectives with respect to housing finance.

Existing Measures:

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Footnotes

Footnote 1

For example, partnerships and sole proprietorships are generally not acceptable juridical forms for financial institutions in Canada. This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.