Annex II - Schedule of Canada

Sector: Aboriginal Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)
Most-Favoured-Nation Treatment (Articles 804, 904)
Local Presence (Article 907)
Performance Requirements (Article 807)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure denying investors of Peru and their investments, or service providers of Peru, any rights or preferences provided to aboriginal peoples.

Existing Measures: *Constitution Act*, 1982, being Schedule B of the *Canada Act 1982* (U.K.), 1982, c. 11

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 803)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to residency requirements for the ownership by investors of Peru, or their investments, of oceanfront land.

Existing Measures:

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services
Radiocommunications

Industry Classification: CPC 752 Telecommunication services

Type of Reservation: National Treatment (Article 803)
Senior Management and Boards of Directors (Article 806)

Description: Investment

1. Canada reserves the right to adopt or maintain any measure:

(a)# that limits foreign investment in facilities-based telecommunications service suppliers, provided that the measures adopted or maintained by Canada do not limit foreign investment to less than a cumulative total of 46.7 percent of voting shares, based on 20 percent direct investment and 33.3 percent indirect investment;

(b)# requiring that facilities-based telecommunications service suppliers be controlled in fact by Canadians;

(c)# requiring that at least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers be Canadian; and

(d) subjecting facilities-based telecommunications service suppliers that exceeded the permissible cumulative foreign investment level on 22 July 1987 and continue to exceed this level, to restrictions.

2. Exceptions to this reservation are:

(a) foreign investment is allowed up to 100 percent for suppliers conducting operations under an international submarine cable licence;

(b) mobile satellite systems owned and controlled up to a level of 100 percent by a foreign service provider may be used by a Canadian service provider to provide services in Canada; and

(c) fixed satellite systems owned and controlled up to a level of 100 percent by foreign service providers may be used to provide services between points in Canada and all points outside of Canada.

Existing Measures: *Telecommunications Act*, S.C. 1993, c. 38.

Canadian Telecommunications Common Carrier Ownership and Control Regulations SOR/94-667

Radiocommunications Act, R.S.C. 1985, c. R-2

Radiocommunication Regulations SOR/96-484

Sector:	Communications
Sub-Sector:	Telecommunications Transport Networks and Services Radiocommunications Telecommunication Services
Industry Classification:	CPC 7529 Other telecommunications services CPC 7549 Other telecommunications services not elsewhere classified
Type of Reservation:	Local Presence (Article 907) National Treatment (Article 803) Senior Management and Boards of Directors (Article 806)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain any measure relating to the provision of or investment in telecommunications services classified in CPC 7529, excluding mobile services, and CPC 7549.
Existing Measures:	*Radiocommunication Act*, R.S.C. 1985, c. R-2 *Radiocommunication Regulations* SOR/96-484 *Telecommunications Act*, S.C. 1993, c. 38 *Canadian Telecommunications Common Carrier Ownership and Control Regulations* SOR/94-667

Sector:	Communications
Sub-Sector:	Telecommunications Transport Networks and Services
Industry Classification:	CPC 752 Telecommunications services CPC 7543 Connection services CPC 7549 Other telecommunications services not elsewhere classified (limited to telecommunications transport networks and services)
Type of Reservation:	National Treatment (Article 803)
Description:	Investment Canada reserves the right to adopt or maintain any measure that may limit competition in the provision of local wireline telephone services in the serving areas of Northwestel Inc.
Existing Measures:	*Telecommunications Act*, S.C. 1993, c. 38

Sector:	Fisheries	
Sub-Sector:	Fishing and Fishing Related Services and Investment	
Industry Classification:	SIC 031	Fishing Industry
	SIC 032	Services Incidental to Fishing
	CPC 882	Services incidental to fishing
Type of Reservation:	National Treatment (Articles 803, 903) Most-Favoured-Nation Treatment (Articles 804, 904)	
Description:	Cross-Border Trade in Services and Investment Canada retains the right to adopt or maintain any measure with respect to the issuance of licenses to foreign fishing vessels and with respect to access for foreign fishing vessels to Canada's ports, territorial waters or Exclusive Economic Zone. Under the *Coastal Fisheries Protection Act*, Fisheries and Oceans Canada is responsible for controlling the activities of foreign fishing vessels in Canada's Exclusive Economic Zone, as well as access to Canadian ports (including port privileges).	

Under the *Coastal Fisheries Protection Action*, foreign fishing vessels are prohibited from entering Canada's territorial waters or Exclusive Economic Zone except under authority of a license or under treaty. "Foreign" vessels are those which are not "Canadian" as defined in the C*oastal Fisheries Protection Act*. Under the *Coastal Fisheries Protection Act*, the Minister of Fisheries and Oceans has discretionary authority with respect to the issuance of licenses to foreign fishing vessels.

Canada issues a port entry and port privileges license, including for the purchase of fuel and supplies, ship repair, crew exchanges and transhipment of fish catches, only to fishing vessels from a country with which it has favourable fisheries relations, based primarily on adherence by that country to international conservation practices and policies. Exceptions to this general rule are permitted in cases of emergency ("force majeure") and where the specific provisions of bilateral fisheries treaties apply.

Existing Measures:

Coastal Fisheries Protection Act, R.S.C. 1985, c. C-33

Fisheries Act, R.S.C 1985, c. F14

Coastal Fisheries Protection Regulations, C.R.C. 1978, c. 413

Commercial Fisheries Licensing Policy

Sector:	Government Finance
Sub-Sector:	Securities
Industry Classification:	SIC 8152 Finance and Economic Administration
Type of Reservation:	National Treatment (Article 803)
Description:	Investment Canada reserves the right to adopt or maintain any measure relating to the acquisition, sale or other disposition by nationals of Peru of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada, a province or local government.
Existing Measures:	*Financial Administration Act*, R.S.C. 1985, c. F-11

Sector: Minority Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)
Local Presence (Article 907)
Performance Requirements (Article 807)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measures:

Sector: Social Services

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 803, 903)
Most-Favoured-Nation Treatment (Article 904)
Local Presence (Article 907)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

Canada reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.

Existing Measures:

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 4523 Aircraft Servicing Industry SIC 3211 Aircraft and Aircraft Parts Industry Not CPC-defined: Aircraft repair and maintenance services, as defined in the Cross Border Trade in Services chapter
Type of Reservation:	Most-Favoured-Nation Treatment (Article 904)
Description:	Cross-Border Trade in Services Canada reserves the right to selectively negotiate agreements or arrangements with other aeronautical authorities or service providers to recognize their accreditation of repair, overhaul and maintenance facilities and certification by such facilities of work performed on Canadian-registered aircraft and other related aeronautical products.
Existing Measures:	

Sector:	Transportation
Sub-Sector:	Air Transportation
Industry Classification:	SIC 451 Air Transport Industries Not CPC-defined: Selling and marketing of air transport services, as defined in the Cross Border Trade in Services chapter
Type of Reservation:	National Treatment (Article 903) Most-Favoured-Nation Treatment (Article 904) Local Presence (Article 907)
Description:	Cross-Border Trade in Services Canada reserves the right to adopt or maintain any measure relating to the selling and marketing of air transportation services.

Existing Measures:

Sector:	Transportation	
Sub-Sector:	Water Transportation	
Industry Classification:	SIC 4129	Other Heavy Construction
	SIC 4541	Freight and Passenger Water Transport Industry
	SIC 4542	Ferry Industry
	SIC 4543	Marine Towing Industry
	SIC 4549	Other Water Transport Industries
	SIC 4552	Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)
	SIC 4553	Marine Salvage Industry
	SIC 4554	Piloting Service, Water Transport Industry
	SIC 4559	Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)
	CPC 52232	Constructions of Harbours, rivers, canals, and related facilities
	CPC 721	Transportation services by sea-going vessels
	CPC 722	Transportation services by non-sea-going vessels
	CPC 74510	Port and waterway operation services (excl. cargo handling)
	CPC 74520	Pilotage and berthing services
	CPC 74590	Other supporting services for water transport

Other marine activities of a commercial nature, as set out in the *Description* section below.

Type of Reservation: National Treatment (Articles 803, 903)
Most-Favoured-Nation Treatment (Articles 804, 904)
Local Presence (Article 907)
Performance Requirements (Article 807)
Senior Management and Boards of Directors (Article 806)

Description: Cross-Border Trade in Services and Investment

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

(a) the transportation of either goods or passengers by ship between points in the territory of Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and

(b) the engaging by ship in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

This reservation relates to, among other things, local presence requirements for services providers entitled to participate in these activities, criteria for the issuance of a temporary cabotage license to foreign ships and limits on the number of cabotage licenses issued to foreign ships.

Existing Measures: *Coasting Trade Act*, S.C. 1992, c. 31

Canada Shipping Act, R.S.C. 1985, c. S-9

Customs Act, R.S.C. 1985, c. 1 (2nd Supp.)

Customs and Excise Offshore Application Act, R.S.C. 1985, c. C-53

Sector:	Transportation	
Sub-Sector:	Water Transportation	
Industry Classification:	SIC 4541	Freight and Passenger Water Transport Industry
	SIC 4542	Ferry Industry
	SIC 4543	Marine Towing Industry
	SIC 4549	Other Water Transport Industries
	SIC 4551	Marine Cargo Handling Industry
	SIC 4552	Harbour and Port Operation Industries
	SIC 4553	Marine Salvage Industry
	SIC 4554	Piloting Service, Water Transport Industry
	SIC 4559	Other Service Industries Incidental to Water Transport
	CPC 721	Transport services by sea-going vessels
	CPC 722	Transport services by non-sea-going vessels
	CPC 74510	Port and waterway operation services (excl. cargo handling)
	CPC 74520	Pilotage and berthing services
	CPC 74590	Other supporting services for water transport
Type of Reservation:	Most-Favoured-Nation Treatment (Article 904)	

Description: Cross-Border Trade in Services

Canada reserves the right to adopt or maintain any measure relating to the implementation of agreements, arrangements and other formal or informal undertakings with other countries with respect to maritime activities in waters of mutual interest in such areas as pollution control (including double hull requirements for oil tankers), safe navigation, barge inspection standards, water quality, pilotage, salvage, drug abuse control and maritime communications.

Existing Measures: *United States Wreckers Act*, R.S.C. 1985, c. U-3

Various agreements and arrangements, including:

(a) *Memorandum of Arrangements on Great Lakes Pilotage*;

(b) *Canada - United States Joint Marine Pollution Contingency Plan*;

(c) *Agreement with the United States on Loran "C" Service on the East and West Coasts*; and

(d) *Denmark - Canada Joint Marine Pollution Circumpolar Agreement.*

Sector: Transportation Services

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 904)

Description: Cross-Border Trade in Services

Canada reserves the right to adopt or maintain any measure in respect of transportation services that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

Existing Measures:

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 804)

Description: Investment

Canada reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreements in force or signed prior to the date of entry into force of this Agreement.

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

(a) aviation;

(b) fisheries;

(c)# maritime matters, including salvage.

Existing Measures:

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Market Access (Article 906)

Description: Cross-Border Trade in Services

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: