

ANNEX III

SCHEDULE OF CANADA

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 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, 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 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 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 prevails 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 17.5 (Market Access), a juridical person supplying a financial service and constituted under the laws of Canada is subject to non-discriminatory limitations on juridical form.¹
3. Article 17.10.1(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 17.5.1(e) (Market Access).

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for a financial institution 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.

Section A

A-1

Sector:	Financial Services
Subsector:	Banking and Other Financial Services (Excluding Insurance)
Obligations Concerned:	Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Bank Act</i> , S.C. 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.

A-2

Sector:	Financial Services
Subsector:	Banking and Other Financial Services (Excluding Insurance)
Obligations Concerned:	National Treatment (Articles 17.3.1 and 17.3.2) Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Bank Act</i> , S.C. 1991, c.46 s. 520, 524, 540, 545 <i>Sales or Trades (Authorized Foreign Banks) Regulations</i> , SOR/2000-52
Description:	A foreign bank must establish a subsidiary as a condition for accepting retail deposits. A foreign lending branch may not accept deposits.

A-3

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Trust and Loan Companies Act</i> , S.C. 1991, c.45 <i>Bank Act</i> , S.C. 1991, c.46 <i>Cooperative Credit Associations Act</i> , S.C. 1991, c.48 <i>Insurance Companies Act</i> , S.C. 1991, c.47
Description:	Federal laws do not permit a company established under the <i>Trust and Loan Companies Act</i> , a cooperative credit Association, or a fraternal benefit society in Canada to be established through a branch of corporations organized under a foreign country's law.

A-4

Sector:	Financial Services
Subsector:	All
Obligations Concerned:	Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Bank Act</i> , S.C. 1991, c.46 s. 510, 522.16, 524 <i>Insurance Companies Act</i> , S.C. 1991, c.47 s. 573, 574, 581
Description:	<p>A bank branch must be established directly under the authorized foreign bank incorporated in the jurisdiction where the authorized foreign bank principally carries on business.</p> <p>A foreign entity authorized 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.</p>

A-5

Sector:	Financial Services
Subsector:	Banking and Other Financial Services (Excluding Insurance)
Obligations Concerned:	National Treatment (Articles 17.3.1 and 17.3.2) Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Bank Act</i> , S.C. 1991, c.46 s. 520, 540, 545 Schedule I and Schedule II to the <i>Bank Act</i> <i>Canada Deposit Insurance Corporation Act</i> , 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.

A-6

Sector:	Financial Services
Subsector:	Banking and Other Financial Services (Excluding Insurance)
Obligations Concerned:	National Treatment (Articles 17.3.1 and 17.3.2) Market Access (Article 17.5.1(a))
Level of Government:	Central
Measures:	<i>Canadian Payments Act</i> , R.S.C. 1985, c. C-21 s. 2, 4 <i>Bank Act</i> , S.C. 1991, c.46 s. 524, 540
Description:	Lending branches of foreign banks are prohibited from being members of Payments Canada.

A-7

Sector: Financial Services

Subsector: All

Obligations Concerned: National Treatment (Article 17.3)
Most Favored Nation Treatment (Article 17.4)
Senior Management and Boards of Directors (Article 17.9)

Level of Government: Regional

Description: All existing non-conforming measures of all Provinces and Territories.

Section B

B-1

Sector:	Financial Services
Subsector:	All
Obligations Concerned:	National Treatment (Article 17.3.1 and 17.3.2)
Level of Government:	Central
Description:	With regard to the Canada Mortgage and Housing Corporation and Canada Housing Trusts, Canada reserves the right to adopt or maintain a measure that grants advantages to these entities or any new, reorganized, or transferee entities having similar functions and objectives with respect to housing finance.

B-2

Sector:	Financial Services
Subsector:	All
Obligations Concerned:	Market Access (Article 17.5), except Article 17.5.1(b)
Level of Government:	Regional
Description:	Canada reserves the right to adopt or maintain a measure that is not inconsistent with Canada's obligations under the <i>General Agreement on Trade in Services</i> .

B-3

Sector:	Financial Services
Subsector:	All, except services under Canada's paragraph 2(c) and (d) of Annex 17-A
Obligations Concerned:	Market Access (Article 17.5.1(b))
Level of Government:	Regional
Description:	<p>Canada reserves the right to adopt or maintain a measure that is not inconsistent with the Canada-European Union Comprehensive Economic and Trade Agreement ("CETA") done at Brussels, on October 30, 2016.</p> <p>The reference to CETA in this reservation is to the agreement as signed and this reservation is applicable even if CETA is terminated.</p>

B.4

Sector:	Financial Services
Subsector:	Banking and Other Financial Services (Excluding Insurance)
Obligations Concerned:	Cross-Border Trade Standstill (Article 17.6)
Level of Government:	Regional
Description:	Canada reserves the right to adopt or maintain a measure relating to cross-border trade in securities and derivatives services.