

- Engage Pakistan's Ministry of Food, Agriculture and Livestock, on behalf of the Canadian Food Inspection Agency, to secure acceptance of new proposed certificates for the export of bovine embryos from Canada.
- Monitor the Pakistani government's process for developing biosafety guidelines for GMOs. Canada will follow these developments to ensure that the guidelines do not adversely affect the import of agricultural products from Canada.
- Monitor the intention of the Pakistani government to ratify the Cape Town Convention. This agreement establishes an international legal framework for modern asset-based financing and leasing to protect high-value equipment, including aircraft and aircraft engines. Such ratification would help open doors to the Canadian aerospace industry in Pakistan.

## IMPROVING ACCESS FOR TRADE IN GOODS

### Canola Seed

In 2003, exports of canola seed to Pakistan surged, following two years of zero sales and the resolution of technical issues surrounding the tariff treatment of canola seed. Prior to 2001, a 15% goods and services tax applied to the import of canola seed for oil extraction. However, there was no such tax on the import of other rapeseeds, which were under a different tariff coding. Canada sought tax and tariff parity between canola seed and other rapeseed. After making its case to the Central Board of Revenue of Pakistan, Canada obtained, in October 2001, assurances that canola would be treated under the same Harmonized System coding as other rapeseeds. Outstanding technical difficulties, however, were not resolved until November 2003, the year in which sales of canola seeds exceeded \$140 million.

## OTHER ISSUES

### Intellectual Property

The implementation of intellectual property guidelines remains a challenge in Pakistan. The Pakistani government has prepared the ordinance for a domestic Intellectual Property Rights Organization, which will deal with trade-related aspects of intellectual property rights or TRIPs. The ordinance is in the final stages of Cabinet approval before presentation to the legislature for conversion into law.

### Investment

The Pakistani government, in order to boost the national economy and attract investment, has decided to frame a law prohibiting the freezing of bank accounts and assets. The move was inspired by the events of 1998, when, following the nuclear test, the Pakistani government froze foreign currency accounts through an emergency decree aimed at averting a potential economic crash. Preparation of the legislation has begun, and Canada will be following its progress closely.

The Pakistani parliament has also enacted a provision that will enable non-resident taxpayers to obtain advance rulings on the interpretation of the tax laws. A ruling will take the form of a binding statement from the revenue authorities, issued upon the request of a non-resident, concerning the treatment and consequences of contemplated future actions or transactions in Pakistan. Canada will monitor closely the application of this ordinance.