

Annex 1607.3

1. Unless otherwise expressly provided in this Annex, words and phrases used herein shall be interpreted and construed in accordance with the provisions of the *Investment Canada Act* and its regulations.

2. The *Investment Canada Act* and its regulations shall be amended as of the date of entry into force of this Agreement in accordance with the provisions that follow:

a) Canada may continue to review the acquisition of control of a Canadian business by an investor of the United States of America, in order to determine whether or not to permit the acquisition, provided that the value of the gross assets of the Canadian business is not less than the following applicable threshold.

i) The threshold for the review of a direct acquisition of control of a Canadian business shall be:

A) for the twelve-month period commencing on the date of entry into force of this Agreement, current Canadian \$25 million;

B) for the twelve-month period commencing on the first anniversary of the date of entry into force of this Agreement, current Canadian \$50 million;

C) for the twelve-month period commencing on the second anniversary of the date of entry into force of this Agreement, current Canadian \$100 million;

D) for the twelve-month period commencing on the third anniversary of the date of entry into force of this Agreement, current Canadian \$150 million; and

E) commencing on the fourth anniversary of the date of entry into force of this Agreement, Canadian \$150 million in constant third-anniversary-year dollars.

ii) The threshold for the review of an indirect acquisition of control of a Canadian business shall be: