

of the *Investment Canada Act*. Under such guidelines, the establishment and expansion of foreign businesses, and the acquisition, direct or indirect, of existing foreign businesses to publish, distribute and sell periodicals in Canada will be permitted on the condition that such investments are of net benefit to Canada.

Effective 90 days after the entry into force of this Agreement, and subject to net benefit review under the *Investment Canada Act*, Canada will permit up to and including 51 percent foreign ownership in the establishment and acquisition of businesses to publish, distribute and sell periodicals except for the acquisition of Canadian-owned businesses.

Effective one year after the entry into force of this Agreement, and subject to net benefit review under the *Investment Canada Act*, Canada will permit up to and including 100 percent foreign ownership in the establishment and acquisition of businesses to publish, distribute and sell periodicals except for the acquisition of Canadian-owned businesses.

Partnerships of foreign investors with majority Canadian ownership will be permitted.

Foreign investments with respect to the publication, distribution and sale of a periodical are subject to review for net benefit to Canada pursuant to Part IV of the *Investment Canada Act*, including the investment's compatibility with Canada's cultural policy. In its net benefits review of an investment under Part IV of the *Investment Canada Act*, Canada will consider a combination of undertakings as compatible with Canadian cultural policy.

Net benefits review will include undertakings from foreign investors that result in a substantial level of original editorial content for the Canadian market contained in each periodical title. The amount of original editorial content for the Canadian market will be determined as a percentage of the total space occupied by the total editorial content contained in the periodical.

Net benefits review may also include undertakings by the foreign investor that:

- i) create an employment infrastructure by directly employing an editorial staff and support staff composed of people resident in Canada with respect to each periodical title in Canada and establish or expand a place of business in Canada; or
- ii) support the infrastructure in the publishing sector by having their titles edited, typeset and printed in Canada.