

For example:

- The exemption for services “supplied in the exercise of governmental authority” applies when the services are not being provided on a commercial basis or in competition with other suppliers. Accordingly, if a municipality is supplying services on a commercial or competitive basis, the GATS may apply.
- With respect to the government procurement exemption, if a municipality is buying services for commercial resale or use, the GATS may apply.
- Although the GATS does not prevent a municipality from regulating, certain transparency provisions may apply such as the need to publish regulations and, where Canada has made sector-specific commitments, to administer regulations fairly and provide for the review of administrative decisions.
- It should also be noted that if a municipality authorizes a monopoly service supplier, that monopoly would be subject to the MFN obligation under the GATS as well as any specific commitments Canada has made in the relevant sector.

These are some key points for consideration. Consult the online Guide for more detail and guidance on situations in which GATS obligations might apply.

