

Annex I

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 10.4)

Measures: *Canada Business Corporations Act*, R.S.C. 1985, c. C-44

Canada Business Corporations Regulations, 2001,
SOR/2001-512

Canada Corporations Act, R.S.C. 1970, c. C-32

Description: Investment

1. The *Canada Business Corporations Act* provides that constraints may be placed on the issue, transfer and ownership of shares in a federally incorporated corporation. The object of those constraints is to permit a corporation to meet Canadian ownership requirements, under certain laws set out in the *Canada Business Corporations Regulations, 2001*, in sectors where ownership or control is required as a condition to operate or to receive licenses, permits, grants, payments or other benefits. In order to maintain certain Canadian ownership levels, a corporation is permitted to sell shareholders' shares without the consent of those shareholders, and to purchase its own shares on the open market.

2. For the purposes of this reservation, **Canadian** means "Canadian" as defined in the *Canada Business Corporations Regulations, 2001*.

Phase-Out: None