

Investment

The Parties have agreed to provide each other's investors national treatment with respect to the establishment of new businesses, the acquisition of existing businesses, and the conduct, operation and sale of established businesses. More specifically, the Agreement binds the Parties not to adopt policies requiring minimum levels of equity holdings by their nationals in domestic firms controlled by investors of the other Party, or requiring forced divestiture. It also provides for fair standards for expropriation and compensation, as well as for free transfers of profits and other remittances subject only to a standard balance of payments clause.

The Agreement provides that the Parties will not impose export, local content, local sourcing, or import substitution requirements on each others' investors, and will not place such requirements on third-country investors when any significant impact on U.S./Canadian trade could result.

The Parties agree that all existing laws, regulations, and published policies and practices not in conformity with any of the obligations described above shall be grandfathered.