

Table 1: DFAIT's Foreign Policy Instruments

Any single one of these instruments may be undersigned independently whether there is a trade agreement or not.

Agreement	Description
<p>Bilateral Trade Agreements Regional Trade Agreements TICA: Trade and Investment Co-Operation Arrangements TECA: Trade and Economic Co-Operation Arrangements</p>	<p>Create a framework for promoting investment, cooperation and economic development with the objective of strengthening economic relations between the parties and promoting. The agreements reflect mutual interests to establish a free trade area between the two parties through the removal of trade barriers with due regard to fair conditions of competition.</p>
<p>Sectoral Agreements</p>	<p>Create a framework for investment and cooperation within specific sectors of the economy.</p>
<p>Foreign Investment Protection and Promotion Agreements (FIPAs)</p>	<p>FIPAs are bilateral, reciprocal agreements designed to protect and promote foreign investment through legally-binding rights and obligations. A FIPA is Canada's version of what is more commonly known as a Bilateral Investment Treaty.</p> <p>FIPAs are targeted toward ensuring access and protection for Canadian investment in developing countries where a commitment to clear, predictable and non-discriminatory treatment for foreign investment is still very much evolving. A FIPA serves to provide an assurance to investors that the rules governing investment will remain bound by a certain standard of fairness and predictability.</p>
<p>Tax Treaties</p>	<p>A tax treaty is designed to avoid double taxation for people who would otherwise pay tax on the same income in two countries.</p> <p>Generally, a tax treaty determines how much each country can tax income such as: pensions, wages, salaries, and interest. A tax treaty may exist with a country even in absence of a bilateral or regional trade agreement.</p>
<p>Memoranda of Understanding</p>	<p>General agreements that may be undersigned between departments of various governments. DFAIT oversees and participates in negotiations.</p>