

ANNEX 2

ARRANGEMENTS FOR THE AVAILABILITY OF RIGHTS

SECTION 1

Ownership and Control of the Airlines of both Parties

1. Notwithstanding Article 4 (Investment), ownership of a Party's airlines by nationals of all other Parties shall be allowable, on the basis of reciprocity, to the extent permitted by Canada's domestic laws and regulations for foreign investment in airlines.
2. Notwithstanding paragraph 2(c) of Article 3 (Designation, Authorisation and Revocation) and Article 4 (Investment) of the Agreement, the following provision shall apply with respect to ownership and control of airlines in place of paragraph 2(c) of Article 3 (Designation, Authorisation and Revocation) until the laws and regulations referred to in paragraph 2(c) and (d) of Section 2 of this Annex dictate otherwise:

“in the case of an airline of Canada, substantial ownership and effective control of the airline are vested in nationals of Canada, the airline is licensed as a Canadian airline, and the airline has its principal place of business in Canada; in the case of an airline of a Member State, substantial ownership and effective control of the airline is vested in nationals of Member States, Iceland, Liechtenstein, Norway or Switzerland, the airline is licensed as a Community airline, and the airline has its principal place of business in a Member State”.