### ANNEX IV

#### NON-CONFORMING ACTIVITIES

#### **EXPLANATORY NOTES**

- 1. The Schedule of a Party to this Annex sets out, pursuant to Article 22.9.1 (Party-Specific Annexes), the non-conforming activities of a state-owned enterprise or designated monopoly, with respect to which some or all of the following obligations shall not apply:
  - (a) Article 22.4 (Non-discriminatory Treatment and Commercial Considerations);
  - (b) Article 22.6 (Non-commercial Assistance).
- 2. Each Schedule entry sets out the following elements:
  - (a) Obligations Concerned specifies the obligations referred to in paragraph 1 that, pursuant to Article 22.9.1 (Party-Specific Annexes), shall not apply to the non-conforming activities of the state-owned enterprises or designated monopoly, as set out in paragraph 3;
  - (b) **Entity** identifies the state-owned enterprise or designated monopoly that undertakes the non-conforming activities for which the entry is made;
  - (c) Scope of Non-conforming Activities provides a description of the scope of non-conforming activities of the state-owned enterprise or designated monopoly for which the entry is made; and
  - (d) Measures identifies, for transparency purposes, a non-exhaustive list of the laws, regulations, or other measures pursuant to which the state-owned enterprise or designated monopoly engages in the non-conforming activities for which the entry is made.
- 3. In accordance with Article 22.9.1 (Party-Specific Annexes), the articles of this Agreement specified in the **Obligations Concerned** element of an entry shall not apply to the nonconforming activities (identified in the **Scope of Non-conforming Activities** element of that entry) of the state-owned enterprise or designated monopoly (identified in the **Entity** element of that entry).

### SCHEDULE OF MEXICO

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations), Article 22.4.1(b) and Article

22.4.1(c)

Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance)

Entity: Banco Nacional de Obras y Servicios Públicos, S.N.C., or

any new, reorganised or successor enterprise, with similar

functions and objectives.

**Scope of Non- Conforming Activities:** 

The purpose of the Entity, as a development bank, is to finance or refinance projects that are directly or indirectly related to public or private investment in infrastructure and public services, and supporting the institutional strengthening of the Government (Federal, State and Municipal levels).

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 22.6.4(b) (Non-commercial Assistance) and Article 22.6.5(b) (Non-commercial Assistance) the Entity may receive government guarantees for banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.

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Measures:

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2,

46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco Nacional de Obras y Servicios Públicos, Articles 2, 3, 4, 6, 7, 8, 11, 29 and 31.

Disposiciones de Carácter General Aplicables a las Instituciones de Crédito, Chapter XI.

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations), Article 22.4.1(b) and Article

22.4.1(c)

Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance)

Entity: Banco del Ahorro Nacional y Servicios Financieros,

S.N.C., or any new, reorganised or successor enterprise,

with similar functions and objectives.

**Scope of Non- Conforming Activities:** 

The purpose of the Entity, as a development bank, is to promote savings, financing and investment among the members of the Banking sector, offer financial services and instruments among such members, and channel financial and technical aids that are necessary to promote savings habits and sound development of the Banking sector.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 22.6.4(b) (Non-commercial Assistance) and Article 22.6.5(b) (Non-commercial Assistance), the Entity may receive government guarantees on banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately

owned enterprises from the relevant market.

Measures: Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2,

46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco del Ahorro Nacional y Servicios

Financieros, Articles 3, 4, 7, 8, 10, 32 and 36.

Disposiciones de Carácter General Aplicables a las

Instituciones de Crédito, Chapter XI.

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations), Article 22.4.1(b) and Article

22.4.1(c)

Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance)

**Entity:** Banco Nacional del Ejército, Fuerza Aérea y Armada,

S.N.C., or any new, reorganised or successor enterprise,

with similar functions and objectives.

Scope of Non-Conforming

**Activities:** 

Measures:

The purpose of the Entity, as a development bank, is to grant financial aid mainly to the members of the Mexican Army, Air Force, and Navy.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 22.6.4(b) (Non-commercial Assistance) and Article 22.6.5(b) (Non-commercial Assistance) the Entity may receive government guarantees on banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2,

46, 46 Bis 1, 47 and 75.

Ley Orgánica del Banco Nacional del Ejército, Fuerza Aérea y Armada, Articles 2, 3, 4, 6, 7, 9 and 52.

Disposiciones de Carácter General Aplicables a las Instituciones de Crédito, Chapter XI.

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations), Article 22.4.1(b) and Article

22.4.1(c)

Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance)

**Entity:** Nacional Financiera, S.N.C., or any new, reorganised or successor enterprise, with similar functions and objectives.

Scope of NonConforming Activities:

The purpose of the Entity, as a development bank, is to promote savings and investment, and to channel financial and technical resources for the industrial development and national and regional economic development.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 22.6.4(b) (Non-commercial Assistance) and Article 22.6.5(b) (Non-commercial Assistance), the Entity may receive government guarantees on banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately owned enterprises from the relevant market.

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica de Nacional Financiera, Articles 2, 3, 5, 6, 10, 29, 30, 32, 33 and 36.

Disposiciones de Carácter General Aplicables a las Instituciones de Crédito, Chapter XI.

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations), Article 22.4.1(b) and Article

22.4.1(c)

Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance)

**Entity:** Sociedad Hipotecaria Federal, S.N.C, or any new, reorganised or successor enterprise, with similar functions

and objectives.

Scope of Non-Conforming Activities: The purpose of the Entity, as a development bank, is to foster the development of primary and secondary mortgage markets, by granting credit and guarantees for the construction, acquisition and improvement of housing, preferably social interest housing, as well as increase production capacity and technological development related to housing. It could also guarantee funding related to the equipment of housing complexes.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its purchase of services required for its commercial activities to Mexican enterprises.

With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations) and Article 22.4.1(c) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, pursuant to considerations set out in laws and regulations, accord preferential treatment in its sale of financial services related to programmes oriented to promote access to credit only to nationals or Mexican enterprises.

With respect to Article 22.6.4(b) (Non-commercial Assistance) and Article 22.6.5(b) (Non-commercial Assistance) the Entity may receive government guarantees, in order to provide banking services in order to comply with the Entity's purpose referred to in the first paragraph above and pursuant to considerations consistent with its laws and regulations.

The services provided by the Entity are not intended to displace or impede financial services provided by privately

owned enterprises from the relevant market.

Measures:

Ley de Instituciones de Crédito, Articles 30 to 44 Bis 2, 46, 46 Bis 1, 47 and 75.

Ley Orgánica de Sociedad Hipotecaria Federal, Articles 2,

4, 5, 8, 8 Bis, 24 Bis, 24 Ter and 28.

Disposiciones de Carácter General Aplicables a las

Instituciones de Crédito, Chapter XI.

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# SCHEDULE OF THE UNITED STATES OF AMERICA

Obligations Concerned:		e 22.4.1(a) Non-discriminatory Treatment and	Formatted: Font: Times New Roman
	Commercial Considerations), with respect to the supply of		Formatted: Font: Times New Roman
	financial services		Formatted: Font: Times New Roman
	Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations), with respect to the supply of		Formatted: Font: Times New Roman
		ial services	Tornateed. Forth, Times New Roman
		e 22.6.4(b) (Non-commercial Assistance)	
Entity:	Federal National Mortgage Association, Federal Home Loan		Formatted: Font: Times New Roman
		age Corporation and the Government National Mortgage	Formatted: Font: Times New Roman
		iation, or any new, reorganised or transferee enterprises, imilar functions and objectives.	Formatted: Font: Times New Roman
	with similar functions and objectives.		Formatted: Font: Times New Roman
Scope of Non-		respect to Article 22.4.1(a) (Non-discriminatory	Formatted: Font: Times New Roman
Conforming Activities:	Treatment and Commercial Considerations) and Article		Formatted: Font: Times New Roman
	22.6.4(b) (Non-commercial Assistance), to facilitate housing		
	finance in the United States, the Entity, pursuant to considerations, consistent with laws and regulations:		Formatted: Font: Times New Roman
	• Consid	orations, consistent with laws and regulations.	Formatted: Font: Times New Roman
	(a)	purchases, sells or trades single-family, multi-family,	Formatted: Font: Times New Roman
		and commercial mortgage loans, and assets	Formatted: Font: Times New Roman
		underlying these loans as a consequence of foreclosure or a similar action in connection with	Formatted: Font: Times New Roman
		defaulted debt;	
	(b)	issues mortgage-backed securities and direct debt or	Formatted: Font: Times New Roman
		other obligations related to risks associated with those securities;	
	(c)	guarantees or insures the timely payment of principal	Frank J. Frank Frank Nov. Practice
	(c)	and interest on mortgage-backed securities;	Formatted: Font: Times New Roman
	(d)	administers payments associated with mortgage- backed securities; and	Formatted: Font: Times New Roman
	(e)	purchases, sells or trades mortgage-backed securities and direct debt or other obligations related to risks	Formatted: Font: Times New Roman
	associated with those securities.  With respect to Article 22.4.1(c)(i) (Non-discriminatory		Formatted: Font: Times New Roman
	Treatment and Commercial Considerations), to facilitate housing finance in the United States, the Entity may, in certain		
		****	

circumstances, pursuant to considerations consistent with laws and regulations such as 12 U.S.C. 1451-1459 and 12 U.S.C. 1763-1723i:

- (a) purchase, sell, trade single-family, multi-family, and commercial mortgage loans, and assets underlying such loans as a consequence of foreclosure or a similar action in connection with defaulted debt, and administer payments associated with such loans or assets, only with enterprises in the territory of the United States; and
- (b) guarantee or insure the timely payment of principal and interest only on mortgage-backed securities that are issued by enterprises in the territory of the United States.

The scope of non-conforming activities listed with respect to Article 22.4.1(a) and Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations) includes the purchase of associated financial services.

12 U.S.C. 1451-1459 12 U.S.C. 1716-1723i

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Obligations Concerned:	Article 22.4.1(a) (Non-discriminatory Treatment and	Formatted: Font: Times New Roman
	Commercial Considerations), with respect to the supply of	Formatted: Font: Times New Roman
	financial services	
	Article 22.4.1(c)(i) (Non-discriminatory Treatment and	Formatted: Font: Times New Roman
	Commercial Considerations), with respect to the supply of	
	financial services	
	Article 22.6.4(b) (Non-commercial Assistance)	Formatted: Font: Times New Roman
<b>T</b>		Formatted: Font: Times New Roman
Entity:	Federal Financing Bank, or any new, reorganised or transfere	Formatted: Font: Times New Roman
	enterprise, with similar functions and objectives.	
	<u> </u>	Formatted: Font: Times New Roman
Scope of Non-	With respect to Article 22.4.1(a) (Non-	Formatted: Font: Times New Roman
Conforming Activities:	discriminatory Treatment and Commercial Considerations) at	
<u> </u>	Article 22.6.4(b) (Non-commercial Assistance), the Entity mapursuant to considerations set out in laws and regulations:	Formatted: Font: Times New Roman
	pursuant to considerations set out in laws and regulations.	Formatted: Font: Times New Roman
	(a) provide loans (including through the purchase of	Formatted: Font: Times New Roman
	obligations, such as bonds or notes) that are	Formatted: Font: Times New Roman
	guaranteed by U.S. federal agencies or by U.S. federal agencies of the properties of t	Famous March Canada Tima and March Danasan
	(ii) a government of another Party; and	
	(b) issue or sell obligations to privately owned enterpris	es. Formatted: Font: Times New Roman

With respect to Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations), the Entity may, in certain circumstances and pursuant to considerations set out in laws and regulations:

- (a) provide loans (including through the purchase of obligations, such as bonds or notes) that are guaranteed by U.S. federal agencies or by U.S. federal government-authorised entities only to (i) privately owned enterprises in the territory of the United States, (ii) enterprises in the territories of certain other countries, or (iii) governments of certain other countries as determined by the United States; and
- (b) issue or sell obligations only to (i) privately owned enterprises in the territory of the United States, or (ii) enterprises in the territories of certain other countries as determined by the United States.

The scope of non-conforming activities listed with respect to Article 22.4.1(a) and Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations) includes the purchase of associated financial services.

Measures: 12 U.S.C. 2285

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#### SCHEDULE OF CANADA

**Obligations Concerned:** Article 22.6.4(b) (Non-commercial Assistance)

Article 22.6.4(c) (Non-commercial Assistance) Article 22.6.5(b) (Non-commercial Assistance) Article 22.6.5(c) (Non-commercial Assistance)

**Entity:** Bridge Authorities that manage international crossings, or any

new, reorganised, or transferee enterprise, with similar functions

and objectives.

The Bridge Authorities that currently manage international crossings are the Federal Bridge Corporation Limited and the

Windsor-Detroit Bridge Authority.

Scope of Non-Conforming Activities: Canada, its state enterprises or state-owned enterprises may provide the Entity or Entities with appropriations or assistance from funding programs to manage international crossings, including the design, construction, operation, and maintenance of the Entity or Entities' crossings and any related infrastructure, to the extent that this involves the supply of services from the territory of Canada into the territory of another Party, or through an enterprise that is a covered investment in the territory of that

other Party or any other Party.

Measures: International Bridges and Tunnels Act, S.C. 2007, c. 1

(and regulations thereof)

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations)

Article 22.4.1(c)(i) (Non-discriminatory Treatment and

Commercial Considerations)

Article 22.6.4(b) (Non-commercial Assistance)

Entity: Canadian Commercial Corporation, or any new, reorganised, or

transferee enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), the Entity or Entities may restrict the sale of services associated with facilitating the import or export of goods or services to enterprises located within Canada as set out in applicable laws, regulations, policies, and practices.

With respect to Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations), the Entity or Entities may accord preferences in the sale of services associated with facilitating the import or export of goods or services to or from certain countries based on bilateral arrangements with the relevant country.

With respect to Article 22.6.4(b) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance with respect to its supply of a service from Canada into the territory of another Party associated with facilitating the import or export of goods and services, as set out in applicable laws, regulations, and policies.

Measures: Canadian Commercial Corporation Act, R.S.C. 1985, c. C-14

(and regulations thereof)

**Obligations Concerned:** Article 22.6.1(a) (Non-commercial Assistance)

Article 22.6.1(c) (Non-commercial Assistance) Article 22.6.2 (Non-commercial Assistance) Article 22.6.3 (Non-commercial Assistance) Article 22.6.4(a) (Non-commercial Assistance) Article 22.6.4(b) (Non-commercial Assistance)

**Entity:** Canadian Dairy Commission, or any new, reorganised, or transferee enterprise, with similar functions and objectives.

Scope of NonConforming Activities:

With respect to Article 22.6.1(a) (Non-commercial Assistance), the Entity or Entities may receive non-commercial assistance with respect to loans or loan guarantees, in circumstances that jeopardize the continued viability of the recipient enterprise, and for the sole purpose of enabling the enterprise to return to viability and fulfil its mandate pursuant to the Canadian Dairy Commission Act.

With respect to Article 22.6.1(c) (Non-commercial Assistance), Canada may provide non-commercial assistance to the Entity or Entities with respect to the conversion of debt to equity, in circumstances that jeopardize the continued viability of the recipient enterprise, and for the sole purpose of enabling the enterprise to return to viability and fulfil its mandate pursuant to the *Canadian Dairy Commission Act*.

With respect to Article 22.6.2 (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance referred to in Article 22.6.1(c).

With respect to Article 22.6.3 (Non-commercial Assistance), the Entity or Entities may provide Canada's state-owned enterprises with non-commercial assistance referred to in Article 22.6.1(a), or Article 22.6.1(c).

With respect to Article 22.6.4(a) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance that may cause adverse effects to the interests of another Party with respect to the production and sale of dairy products in the territory of Canada pursuant to the *Canadian Dairy Commission Act*.

With respect to Article 22.6.4(b) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance that may cause adverse effects to the interests of

another Party regarding services related to the cross-border trade of dairy products (export and import) such as shipping, insuring, and wholesale trade and distribution, pursuant to the *Canadian Dairy Commission Act*.

Measures: Canadian Dairy Commission Act, R.S.C. 1985, c. C-15

(and regulations thereof)

**Obligations Concerned:** Article 22.4.1(a) (Non-discriminatory Treatment and

Commercial Considerations)

Article 22.4.1(b)(i) (Non-discriminatory Treatment and

Commercial Considerations)

Article 22.4.1(c)(i) (Non-discriminatory Treatment and

Commercial Considerations)

Article 22.6.4(b) (Non-commercial Assistance)

Entity: Canada Mortgage and Housing Corporation and Canada

Housing Trusts, or any new, reorganised, or transferee

enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), the Entity or Entities may take into account factors other than commercial considerations in the provision of financial or housing-related services such as:

(a) guarantees, mortgage insurance, loans, and mortgage-backed securities; and

(b) management of nursing homes, retirement homes, on-reserve and rental housing, and ancillary infrastructure,

in furtherance of the mandate to support housing needs and housing affordability in Canada as set out in laws, regulations, policies, or programmes.

With respect to Article 22.4.1(b)(i) and Article 22.4.1(c)(i) (Non-discriminatory Treatment and Commercial Considerations) and as set out in applicable laws, regulations, policies, or programmes, the Entity or Entities may:

(a) provide financial or housing-related services such as mortgage insurance, loans, and advisory services only to enterprises in Canada or provide such services to enterprises in certain other countries; and

(b) purchase financial or housing-related services from enterprises in certain other countries.

With respect to Article 22.6.4(b) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance with respect to its supply of financial or housing-related services from Canada into the territory of another Party as set out in applicable laws, regulations, policies, or programmes.

Measures: Canada Mortgage and Housing Corporation Act, R.S.C. 1985,

c. C-7

National Housing Act, R.S.C. 1985, c. N-11

(and regulations thereof)

**Obligations Concerned:** Article 22.6.1(b) (Non-commercial Assistance)

Article 22.6.1(c) (Non-commercial Assistance) Article 22.6.2 (Non-commercial Assistance) Article 22.6.4(b) (Non-commercial Assistance) Article 22.6.4(c) (Non-commercial Assistance)

**Entity:** Trans Mountain Corporation, or any new, reorganised, or transferee enterprise, with similar functions and objectives.

Scope of Non-Conforming Activities: With respect to Article 22.6.1(b) and Article 22.6.2 (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance, in circumstances that jeopardize the continued viability of the recipient enterprise, and for the sole purpose of enabling the enterprise to return to viability and fulfil its mandate. Canada may provide this assistance until either the privatization of the Entity or Entities occurs or ten years has elapsed since the date of entry into force of this Agreement, whichever is earlier.

With respect to Article 22.6.1(c) and Article 22.6.2 (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance with respect to the conversion of debt to equity, in circumstances that jeopardize the continued viability of the recipient enterprise, and for the sole purpose of enabling the enterprise to return to viability and fulfil its mandate. Canada may provide this assistance until either the privatization of the Entity or Entities occurs or ten years has elapsed since the date of entry into force of this Agreement, whichever is earlier.

With respect to Article 22.6.4(b) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance until the privatization of the Entity or Entities, where that assistance may cause adverse effects to the interests of another Party with respect to the supply of pipeline operation services from the territory of Canada into the territory of another Party.

With respect to Article 22.6.4(c) (Non-commercial Assistance), Canada may provide the Entity or Entities with non-commercial assistance until the privatization of the Entity or Entities, where that assistance may cause adverse effects to the interests of another Party with respect to the supply of pipeline operation services in the territory of another Party through an enterprise that is a covered investment in the territory of that other Party or

any other Party.

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

(and regulations thereof)

**Entity:** All existing and future state-owned enterprises

Scope of Non-**Conforming Activities:**  With respect to Article 22.4.1(a) (Non-discriminatory Treatment and Commercial Considerations), the Entity or Entities may accord more favourable treatment to aboriginal persons and

organisations in the purchase of a good or service.

With respect to Article 22.4.1(b) (Non-discriminatory Treatment and Commercial Considerations), the Entity or Entities may accord more favourable treatment to aboriginal persons and organisations in the purchase of a good or service.

Constitution Act, 1982, being Schedule B of the Canada Act Measures:

1982 (U.K.), 1982, c. 11