Canada-Europe Free Trade Agreement – Imminent provisional entry into force

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Author

Mylène Vallières

Partner, Lawyer

Provisional entry into force

- 90% of the Agreement will be in force
- The date is still uncertain, possibly as soon as June 2017

The Agreement in 6 key points

- Access to the European Union market, which includes 28 States and 500 million consumers;
- Elimination of custom duties on 98% of tariff lines;
- Projected increase of $324 million per year in Québec exports to the European Union by 2022;
- Projected 20% increase of exchanges with Europe;
- Access to the vast European public market;
- Impact on all sectors of the economy, from services and natural resources to the agricultural and the manufacturing sector.

On the eve of the provisional entry into force of the Canada-Europe Free Trade Agreement, understanding its implications should be a top priority for any company wishing to expand its activities over the course of the next few years. The vote held on February 15th at the European Parliament in favour of the ratification of the Agreement makes its entry into force imminent. The Agreement will open the door to the vast European market for Canadian businesses, a market representing on average thousands of billions of dollars per year with a population of 500 million.

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Imminent provisional entry into force

In the wake of the historic vote of the European Parliament in favour of the ratification of the Comprehensive Economic and Trade Agreement ("**CETA**" or "**Agreement**"), one of the most important free trade zones in the world is on the verge of being established. This vote was held the day after Bill C-30 was passed by the House of Commons in Ottawa and referred to the Senate. This Bill aims to initiate the legislative amendments which are necessary for the Agreement to come into force in Canada.

The important steps taken in the last few weeks make it possible for the Agreement to provisionally enter into force as early as this summer.

In what way will the entry into force of the Agreement be provisional? At the time of the provisional entry into force, only the provisions on the Investor-State remedies and a provision on the criminalization of Camcording will not enter into force. That means that the entire Agreement will apply in both jurisdictions: 99% of industrial tariffs and 95% of agri-food tariffs will henceforth disappear.

The pending legislative amendments in Canada will result in the opening of the Canadian public markets by the provinces and their dependant organizations, including the education, health and municipal sectors.

In addition to the elimination of custom duties, the entry into force of the Agreement will result in a reduction of administrative formalities and bureaucratic obstacles to trade.

The provisions of the Agreement will allow Canadian entrepreneurs to have the products they intend to export to the European market tested and certified in Canada, thus avoiding the costs related to certification and reducing delays.

CETA will also improve access to the services trade, facilitate labour mobility and provide access to European public markets.

Conclusion

Once the Agreement fully enters into force, Canada will have unequalled access to the two most important world markets, that is, the North- American market, which is governed by NAFTA, and the European market through CETA. Québec businesses will find it most beneficial to consider the new business opportunities and partnerships made possible by the Agreement in order to profit from this preferential access and make their companies prosper.

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