

CETA IS PROVISIONALLY IMPLEMENTED — THE C\$1.5 BILLION THRESHOLD ARRIVES

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As we foreshadowed in [our brief](#) on the *Investment Canada Act* (“**ICA**”) 2016-17 annual report as well as in our [March 2015 bulletin](#) announcing significant changes to the ICA, the Canada-European Union Comprehensive Economic and Trade Agreement (“**CETA**”), which was provisionally implemented as of September 21, 2017,^[1] has resulted in a higher threshold for net benefit reviews under the ICA for many foreign investors. In particular, non-state owned enterprise investors from the EU and certain other countries with most-favoured nation treatment under Canada’s current free trade agreements (including Chile, Colombia, Honduras, Mexico, Panama, Peru, South Korea and the United States) — collectively representing approximately 80% of ICA notifications and applications last year — now benefit from a net benefit review threshold of **C\$1.5 billion in enterprise value** for investments in non-cultural Canadian businesses.

The C\$1.5 billion enterprise value threshold is likely to result in materially fewer applications for review under the ICA’s net benefit test.

Please see our updated 2017 [Competition Act and Investment Canada Act thresholds checklist](#).

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[1] Bill C-30, which received royal assent on May 16, 2017, was proclaimed into force by the Governor-in-Counsel on September 12, 2017. This bill contains the amendments to various federal acts, including the ICA, which were required to implement CETA.

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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