

# **INVESTMENT CANADA ACT THRESHOLD INCREASES TO \$1 BILLION (CDN)**

*Posted on June 22, 2017*

**Categories:** [Insights](#), [Publications](#)

As indicated in our April 2017 [bulletin](#), the Government of Canada previously announced its intention to accelerate the scheduled increase of the “enterprise value” threshold under the *Investment Canada Act* to C\$1 billion.

Bill C-44 has now received Royal Assent.<sup>[1]</sup> The new C\$1 billion threshold will apply to investments implemented on or after June 23, 2017. Beginning January 1, 2019, the C\$1 billion threshold will be adjusted annually by a GDP-based index.

The threshold generally applies to direct acquisitions by WTO Investors (firms controlled in WTO countries) that are not State-Owned Enterprises, and requires filing of an application for review, to determine whether the investment is “likely to be of net benefit to Canada”. The enterprise value threshold also applies for non-WTO Investors that directly acquire control of a Canadian business that was immediately prior to the investment controlled by a WTO Investor.

by Ryan Gallagher, Dan Edmonstone, François Tougas, James Musgrove

[1] Bill C-44 received Royal Assent on June 22, 2017.

## **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.

© McMillan LLP 2017