

CANADIAN FREE TRADE AGREEMENT

Interpretive Note No. 1 Interpretation of Annex 309 and Chapter Nine

Article 1209 of the *Canadian Free Trade Agreement* (the “**Agreement**”) provides that the Parties may, at any time, issue an interpretive note declaring their interpretation of the Agreement. Any such interpretive note conclusively reflects the Parties’ intentions regarding the provisions that are the subject matter of the interpretive note. Pursuant to Article 1209, the Parties have issued the following interpretive note regarding their interpretation of Annex 309 and Chapter Nine.

1. Subsections 1(a) and 1(b)(i) of Annex 309 provide that Sections 2 through 4 of that Annex will enter into force 90 days after receipt of written notice of such entry into force from either Newfoundland and Labrador or Quebec.
2. Newfoundland and Labrador provided the Secretariat with such written notice on June 25, 2020, meaning that Sections 2 through 4 of Annex 309 will enter into force 90 days thereafter, being September 23, 2020.
3. Subsection 1(b)(ii) of Annex 309 further provides that, during that 90-day period, “each Party may amend its exceptions set out in its Schedules in Part VII (Party Schedules) by listing exceptions to Section 2 to the extent each Party considers necessary.”
4. The phrase “its Schedules in Part VII” as used in subsection 1(b)(ii) of Annex 309 was intended to mean and is interpreted by the Parties to mean that, during the 90-day period, Parties are able to make any amendments, including any additions or deletions, that they may consider necessary relating to Section 2 of Annex 309 to either one or both of their Schedules in Part VII, those being Annex I (Exceptions for Existing Measures) and Annex II (Exceptions for Future Measures).
5. Chapter Nine will then apply to any exception taken by Parties to Section 2 of Annex 309 in the same manner it applies to any other exception set out in the Parties’ Schedules in Part VII (Party Schedules), once the amendments provided for under subsection 1(b)(ii) of Annex 309 enter into force.
6. The interpretations set out in paragraphs 4 and 5 above apply notwithstanding that Chapter Nine does not make any reference to Annex 309.
7. The Parties confirm their intention to make clarifications to the Agreement corresponding with this interpretive note through a Protocol of Amendment, at their earliest opportunity.