

Table of Contents

| | |
|---|-----------|
| Introduction and Purpose | 3 |
| Introduction | 3 |
| Purpose and Objectives | 3 |
| Trade Policy and Tariff Schedule | 3 |
| Tariff Reductions | 3 |
| Exceptions and Sensitive Products | 4 |
| Trade Policy Measures | 4 |
| Specific Tariff Commitments | 4 |
| Non-Tariff Barriers and Trade Facilitation | 5 |
| Technical Standards and Sanitary Measures | 5 |
| Streamlined Customs Procedures | 5 |
| Addressing Trade Restrictions | 6 |
| Customs Cooperation and Procedures | 6 |
| Simplified Customs Clearance | 6 |
| Information Sharing | 6 |
| Documentation Requirements and Border Controls | 7 |
| Intellectual Property Rights Protection | 7 |
| Patents | 7 |
| Trademarks | 7 |
| Copyrights | 8 |
| Trade Secrets | 8 |
| Enforcement | 8 |
| Investment and Economic Cooperation | 8 |
| Investment Protection | 8 |
| Economic Cooperation | 8 |
| Dispute Settlement Mechanisms | 9 |
| Consultation | 9 |
| Mediation | 9 |
| Arbitration | 9 |
| Trade Statistics and Impact Analysis | 10 |
| General Provisions and Final Clauses | 11 |
| Entry Into Force | 11 |
| Amendments | 11 |



| | |
|--|-----------|
| Termination | 11 |
| Annexes and Schedules | 12 |
| Tariff Schedules | 12 |
| Rules of Origin | 12 |
| Specific Commitments on Services | 12 |



Introduction and Purpose

Introduction

This Free Trade Agreement (FTA) is made between the United States and Canada. ACME-1, a US company based in Wilsonville, Oregon, will be subject to the terms outlined in this agreement. Docupal Demo, LLC, a US company, is producing this document.

Purpose and Objectives

The FTA's primary goal is to promote economic growth in both the United States and Canada. It aims to achieve this by reducing barriers to trade and fostering closer economic cooperation between the two nations. The agreement seeks to create a free trade area that will enhance economic relations and increase trade and investment flows. Expected benefits include increased exports for businesses in both countries, lower prices for consumers, and enhanced competitiveness in the global market. The base currency for this agreement is USD.

Trade Policy and Tariff Schedule

This Free Trade Agreement (FTA) aims to create a free trade area between the United States and Canada. It covers a wide range of products, including agricultural goods, manufactured items, and services. Key sectors impacted by this agreement are automotive, agriculture, and technology.

Tariff Reductions

This agreement includes a plan for tariff reductions between the two countries. Tariffs on many goods will be eliminated immediately when the agreement comes into force. Tariffs on other goods will be reduced gradually over a 10-year period.



| Category | Year 1 | Year 3 | Year 5 | Year 7 | Year 10 |
|--------------------|---------------|---------------|---------------|---------------|---------|
| General Products | 80% Reduction | 60% Reduction | 40% Reduction | 20% Reduction | 0% |
| Sensitive Products | 90% Reduction | 75% Reduction | 50% Reduction | 25% Reduction | 0% |

Exceptions and Sensitive Products

While the FTA aims for broad tariff reductions, some exceptions exist. Certain sensitive agricultural products will have different tariff reduction schedules. Cultural industries are also subject to special considerations, allowing each country to protect its cultural heritage. These exceptions are detailed in Annex 3-B of this agreement.

Trade Policy Measures

Both the United States and Canada agree to several trade policy measures to facilitate trade. These include:

- **Customs Procedures:** Simplified customs procedures will help expedite the movement of goods across borders.
- **Rules of Origin:** Clear rules of origin will determine the country of origin for products, ensuring that the FTA benefits apply only to goods originating in the United States or Canada. These rules are detailed in Annex 4-A.
- **Transparency:** Both countries commit to transparent trade regulations and procedures. This includes publishing trade-related information and providing opportunities for public comment.
- **Non-Tariff Barriers:** Both countries will work to reduce non-tariff barriers to trade, such as quotas, licensing requirements, and technical regulations.

Specific Tariff Commitments

The specific tariff commitments for each product are listed in Annex 3-A. This annex details the base tariff rates and the schedule for tariff reductions for each product category. Businesses should consult Annex 3-A to determine the exact tariff treatment for their products. The staging categories are defined as follows:



- **Category A:** Tariffs eliminated immediately upon entry into force.
- **Category B:** Tariffs reduced in equal annual installments over 5 years.
- **Category C:** Tariffs reduced in equal annual installments over 10 years.
- **Category D:** Special safeguard provisions apply.

Non-Tariff Barriers and Trade Facilitation

This section addresses non-tariff barriers and outlines measures to facilitate trade between the United States and Canada. The goal is to reduce obstacles beyond tariffs that may hinder the smooth flow of goods and services.

Technical Standards and Sanitary Measures

Both countries commit to applying international standards for technical regulations. These standards also apply to sanitary and phytosanitary measures. This ensures product safety and prevents these measures from becoming unnecessary barriers to trade. These measures will be applied without creating obstacles to international trade.

Streamlined Customs Procedures

Customs procedures will be streamlined to expedite the movement of goods. This involves several key initiatives:

- **Electronic Documentation:** Encouraging the use of electronic documentation to reduce paperwork and processing times.
- **Simplified Import/Export Procedures:** Simplifying import and export procedures to reduce complexity and costs for businesses.
- **Enhanced Cooperation:** Fostering enhanced cooperation between customs authorities in both countries.

Addressing Trade Restrictions

The agreement addresses various trade restrictions beyond tariffs. This includes:

- **Licensing Requirements:** Promoting transparency in licensing requirements to ensure they do not unduly restrict trade.



- **Quotas:** Working towards the reduction or elimination of quotas that limit the quantity of goods traded.
- **Other Barriers:** Identifying and reducing other non-tariff barriers that may impede trade.

These measures aim to create a more predictable and efficient trading environment for businesses in both the United States and Canada.

Customs Cooperation and Procedures

This section outlines customs cooperation mechanisms and procedures between the United States and Canada. It aims to streamline trade, enhance security, and ensure compliance with applicable laws and regulations.

Simplified Customs Clearance

Customs clearance processes will be simplified to expedite the movement of goods. This includes the use of:

- Pre-arrival processing to allow for the submission of documentation before goods arrive at the border.
- Risk management techniques to focus customs resources on high-risk shipments.
- Authorized economic operators (AEOs) who meet specific security and compliance criteria will benefit from simplified procedures.

Information Sharing

To enhance customs enforcement and regulatory cooperation, the United States and Canada will share information related to:

- Customs enforcement activities, including suspected violations of customs laws.
- Trade statistics to monitor trade flows and identify potential discrepancies.
- Regulatory cooperation to align customs procedures and requirements where appropriate.



Documentation Requirements and Border Controls

Importers and exporters must comply with all applicable documentation requirements, as specified by the customs authorities in each country. Border controls will be implemented to ensure the security of the supply chain and prevent the entry of prohibited or restricted goods. These controls may include:

- Inspections of goods and conveyances.
- Verification of documentation.
- Use of technology to detect contraband.

There are no joint customs controls or mutual recognition agreements under this Free Trade Agreement.

Intellectual Property Rights Protection

This Free Trade Agreement (FTA) aims to provide strong and effective protection and enforcement of intellectual property rights. This promotes innovation, creativity, and investment in both the United States and Canada. The agreement covers key areas of intellectual property, including patents, trademarks, copyrights, and trade secrets.

Patents

Both countries affirm their commitment to the patent system. This includes providing patent protection for inventions.

Trademarks

The FTA ensures the protection of trademarks. It prevents infringement and counterfeiting of goods. It also establishes procedures for registering and enforcing trademark rights.

Copyrights

Copyright protection is vital. The agreement protects literary, artistic, and musical works. It also addresses digital copyright issues, including online piracy.



Trade Secrets

The agreement recognizes the importance of trade secrets. It provides legal means to prevent the misappropriation of confidential business information.

Enforcement

To ensure compliance, the FTA establishes mechanisms for enforcement and dispute resolution. This includes consultations between the parties. Dispute settlement panels will address violations. Sanctions may be imposed for non-compliance. The agreement includes commitments that go beyond existing international standards. This ensures a high level of protection for intellectual property rights.

Investment and Economic Cooperation

This Free Trade Agreement seeks to foster a stable and attractive investment climate between the United States and Canada. It also establishes mechanisms for economic cooperation to enhance mutual growth and development.

Investment Protection

Investors from both countries receive key protections under this agreement. These protections ensure fair and equitable treatment, preventing discriminatory practices. Investors are safeguarded against unlawful expropriation without prompt, adequate, and effective compensation. The agreement provides a robust framework for investor-state dispute settlement (ISDS) through international arbitration. This allows investors to resolve disputes with the host government in a neutral forum.

Economic Cooperation

The United States and Canada commit to strengthening economic ties through cooperative programs. These programs target key areas, including:

- **Infrastructure Development:** Joint projects to improve transportation, energy, and communication networks.
- **Education and Training:** Initiatives to promote skills development and knowledge sharing.



- **Technological Advancement:** Collaborative research and development efforts to drive innovation.

Dispute Settlement Mechanisms

This section outlines the procedures for resolving disputes that may arise under this Free Trade Agreement. Our goal is to ensure fair and efficient resolution of any disagreements between the Parties.

Consultation

The Parties will first attempt to resolve any disputes through consultation. A Party must request consultations with the other Party. The other Party must agree to consult within a reasonable timeframe. These consultations will aim to reach a mutually satisfactory resolution.

Mediation

If consultations fail to resolve the dispute within a specified period, the Parties may agree to use mediation. Mediation involves a neutral third party who helps facilitate discussions and find common ground. Participation in mediation is voluntary, and the outcome is non-binding unless the Parties agree otherwise.

Arbitration

If consultations and mediation are unsuccessful, either Party may request arbitration. Arbitration involves submitting the dispute to a panel of independent experts who will issue a binding decision based on the Agreement's provisions and applicable international law.

Establishment of an Arbitral Panel

An arbitral panel will be composed of three members. Each Party will select one panelist, and the two Parties will jointly select the third, who will serve as the chair. The panel will establish its own rules of procedure, consistent with the principles of fairness and transparency.

Enforcement



The Agreement provides enforcement powers, including the ability to impose trade sanctions and other remedies for non-compliance with the arbitral panel's decision. If a Party fails to implement the panel's decision within a reasonable period, the other Party may suspend equivalent concessions under the Agreement. This ensures that the dispute settlement mechanism is effective and that the obligations under the Agreement are upheld.

Trade Statistics and Impact Analysis

This Free Trade Agreement (FTA) builds upon a robust pre-existing trade relationship between the United States and Canada. Historical data indicates consistent growth in trade volume over the past decade. The FTA is projected to further stimulate economic activity, resulting in an estimated annual growth increase of 2-3%.

Historical Trade Trends

Bilateral trade between the United States and Canada has demonstrated steady expansion. This growth underscores the economic interdependence of both nations.

Figure 1: US and Canadian Export Volumes (Billions USD)

Sectoral Impact

The FTA is expected to generate considerable benefits across various sectors. Key beneficiaries include agriculture, manufacturing, and services. Reduced tariffs and streamlined customs procedures will facilitate increased trade in agricultural products. Manufacturers will profit from lower input costs and expanded market access. The services sector will experience growth through enhanced cross-border opportunities.

Figure 2: Projected Sectoral Impact (% Increase in Trade)

Projected Economic Growth

The implementation of this FTA is anticipated to boost economic growth in both countries. The projected annual increase of 2-3% reflects the combined effects of trade liberalization, investment promotion, and enhanced regulatory cooperation. These measures will create a more predictable and business-friendly environment.

General Provisions and Final Clauses

This Free Trade Agreement (FTA) establishes the general terms, conditions, and final stipulations governing the trade relationship between the United States and Canada. It encompasses provisions for entry into force, amendments, termination, and other essential legal aspects to ensure the proper interpretation and implementation of the agreement.

Entry Into Force

This Agreement shall enter into force on January 1, 2025, upon the fulfillment of all necessary legal procedures by both Parties.

Amendments

This Agreement may be amended by mutual written consent of the Parties. Any amendment duly agreed upon shall enter into force after the Parties complete their respective legal procedures, on a date as agreed between them.

Termination

Either Party may terminate this Agreement by giving six (6) months prior written notice to the other Party. The termination shall take effect six months from the date of receipt of the written notification, unless otherwise agreed by the Parties.

Annexes and Schedules

This Free Trade Agreement includes several annexes and schedules that provide specific details and commitments. These documents are integral to the agreement and are referenced throughout the main text by their titles and corresponding article numbers.

Tariff Schedules

The tariff schedules detail the agreed-upon tariff rates for goods traded between the United States and Canada. These schedules outline the progressive reduction or elimination of tariffs on specific products, promoting increased trade.



Rules of Origin

The rules of origin define the criteria for determining the national source of a product. These rules are essential for ensuring that preferential tariff treatment is applied only to goods originating in the United States or Canada, preventing circumvention.

Specific Commitments on Services

The specific commitments on services outline the obligations undertaken by each party regarding market access, national treatment, and local presence requirements for various service sectors. These commitments aim to liberalize trade in services and foster greater competition. Detailed product and service schedules provide clarity on tariff rates and market access.

