Expanding Into Canada: The Comprehensive and Progressive Agreement for Trans-Pacific Partnership Considerations

September 2026

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The Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("**CPTPP**") is a free trade agreement ("**FTA**") between Canada and 11 other economies: Australia, Brunei Darussalam, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United Kingdom and Vietnam. Prior to this agreement, Canada already had FTAs with many members, including Chile, Peru and Mexico.

The inclusion of Japan in the CPTPP marks a significant opportunity for Canada-Japan trade relations. As of 2025, foreign direct investment ("**FDI**") stock from Japan in Canada was valued at $54.8 billion, making Japan Canada's largest source of FDI. Additionally, imports from Japan were valued at $21.1 billion, consisting largely of vehicles, machinery and equipment, and scientific and precision instruments (mainly for medical use).

For international clients seeking to expand into Canada, the CPTPP can significantly reduce the cost and complexity of market entry. It establishes market access commitments across trade in goods, services, investment, labour mobility and government procurement. The CPTPP eliminates or reduces customs duties on most goods, while also improving the transparency and predictability of trade-related processes.

This overview addresses key questions relating to the CPTPP, with a focus on the issues most commonly raised by businesses in member states considering exporting to, investing in or establishing operations in Canada. Given the CPTPP's complex structure, exceptions and side letters, engaging counsel to prepare for and operationalize its benefits can reduce unexpected costs and enable businesses to fully capture the value of the agreement.

<u>We are happy to assist with your expansion to Canada. If you have questions with respect to any portion of the below, or if you require further information on a topic that is not addressed, please do not hesitate to contact us.</u>

Category	Question	Answer
1. Market Entry	How does CPTPP affect exports of goods to Canada from member nations?	Canada's tariff lines are duty-free for 86% of originating goods. This share will reach 99% by 2034 through the gradual phase-out of remaining duties.
2. Market Entry	Does the CPTPP define industry-specific provisions and benefits to account for unique needs?	**Yes** — the CPTPP defines industry-specific provisions and benefits for textiles and apparel goods, financial services, telecommunications, electronic commerce, aerospace, information and communications technology, metals and minerals and agriculture.
3. Rules of Origin	How do we qualify for preferential tariff treatment?	To obtain the preferential rate, goods must qualify as originating in a CPTPP member country under CPTPP rules of origin (e.g., wholly obtained, made exclusively from originating materials or sufficiently produced under product-specific rules). The importer must claim the preferential rate using a certification of origin document (a statement by the exporter, producer or importer confirming CPTPP origin), which may be provided in writing, including electronically, and must contain the minimum data requirements.
4. Testing & Regulatory Approvals	Do businesses have to follow Canada's health, safety and environmental standards?	**It depends** — the CPTPP does not replace Canadian approvals or testing but instead establishes parameters for how Canada develops and applies its regulations. Canadian regulatory requirements (including labelling, safety and sector-specific rules) continue to apply. The CPTPP ensures that market access gains made in other parts of the agreement are not eroded by Canada's standards. It encourages the use of internationally accepted standards and requires national treatment for foreign conformity assessment bodies.

5. Agri-Food & Tariff-Rate Quotas ("TRQs")	Are there restrictions on agriculture products exported to Canada?	**Yes** — some agricultural products in the supply-managed sectors (eggs, dairy and poultry) are subject to tariff-rate quotas. This means duty-free access is limited by volume: once the annual Canadian quota is filled, imports face significant tariffs. Businesses exporting TRQ-managed products should secure quota allocations or licences in advance, monitor quota availability and plan shipments accordingly. Other CPTPP members including Japan, Mexico and Vietnam also impose TRQs on certain agri-food products where they have sensitivities, such as rice in Japan.
6. Services	Can we deliver services into Canada more easily under CPTPP?	**Yes** — the CPTPP makes it easier and more predictable for businesses from the region to provide services in Canada. It does this by creating a level playing field among parties through provisions including national treatment, most-favoured-nation treatment, open market access and standstill mechanisms. These provisions provide CPTPP businesses with greater certainty and equal access to the Canadian market. The agreement also includes specific rules tailored to financial services, helping ensure fair and consistent treatment. Services, however, remain regulated in Canada, often at the provincial level, so businesses should confirm whether licences, permits or other local requirements apply before offering services.
7. Temporary Entry	Can we send staff to Canada for projects?	**Yes** — the CPTPP allows businesses to send staff to Canada on a temporary basis. These entry requirements are reciprocal among parties. Eligible categories include business visitors, intra-company transferees, investors and professionals and technicians. Businesspersons must fit within a recognized CPTPP category, meet applicable conditions and satisfy any licensing or certification requirements necessary to perform their work. The length of stay, extension possibilities and spousal benefits may vary by category.

8. Public Procurement	Can we bid on Canadian government procurement opportunities?	**Yes** — businesses from CPTPP member countries may bid on covered government procurement opportunities offered by central (federal) and sub-central (provincial) government entities, as well as certain other entities, subject to specified restrictions. Where procurements meet established financial thresholds, government entities must treat foreign companies, goods and services no less favourably than domestic suppliers and cannot discriminate on the basis of foreign affiliation or ownership. Below these thresholds, domestic preferences are permitted.
9. Intellectual Property ("IP")	How does CPTPP protect IP rights in Canada?	**Minimum standard** — the CPTPP establishes a minimum standard for intellectual property protection and enforcement in the Asia-Pacific region for most categories of intellectual property rights. Covered categories include trademarks, industrial designs, copyright and related rights, patents and trade secrets. The CPTPP also commits parties to adherence to a number of international IP treaties, including the WIPO Internet treaties, and suspends several original TPP obligations in respect of ISP liability, copyright and pharmaceutical patents. The agreement provides rules for the civil, criminal and border enforcement of IP rights, including the application of those rights to the online environment.
10. Investment	Does CPTPP provide investment protection?	**In part** — the CPTPP provides basic investment protections while preserving the parties' ability to pursue legitimate public policy objectives. These provisions include protections against discrimination, including national treatment and most-favoured-nation commitments, and prohibitions on trade-distorting preference requirements, such as technology transfer requirements or requirements to purchase local products. An investor-state dispute settlement mechanism is also included to provide a framework for resolving disputes between investors and states.

11. Small and Medium-sized Enterprises ("SMEs")	Does CPTPP uniquely support SMEs?	**Yes** — each CPTPP party must establish a user-friendly website targeted at SMEs to provide accessible information on the CPTPP and ways SMEs can benefit from the agreement. A CPTPP committee also meets regularly to assess how the agreement is serving SMEs and to deliver export capacity-building programming.
12. Canada-Indonesia Comprehensive Economic Partnership ("CEPA") and the CPTPP	Does the newly announced CEPA impact CPTPP?	**Not directly** — although CEPA does not directly impact CPTPP, businesses operating within the CPTPP framework may identify opportunities to leverage CEPA in combination with CPTPP.

Have more questions about expanding into Canada? Please click here or scan the QR code to access Aird & Berlis LLP's Market Expansion Dashboard, your one-stop-shop for market expansion resources.

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Fiona has extensive experience advising international businesses entering the Canadian market. To date, she has advised more than 100 companies expanding into Canada. Fiona advises clients in this space all day, every day. She has been practising for more than a decade and is a regular speaker and writer on market expansion matters. Fiona is proud to have been recognized by *The Best Lawyers in Canada, The Canadian Legal Lexpert Directory* and *Benchmark Canada.*

A proactive and comprehensive approach is required to succeed in a new market. Fiona manages teams of other lawyers and patent agents to provide her clients with a full range of legal services to help their businesses grow. She acts as project manager to ensure her clients receive seamless legal services in all relevant areas.

Fiona takes great care to understand her clients' businesses and deliver advice that is tailored to meeting their specific needs. Her responsiveness, dedication to clear communication and hands-on approach show that she is personally invested in the success of her clients.

Fiona is pleased to offer a multitude of resources answering often- asked questions about expanding into Canada, including this video and this one-page guide..

Hon. Peter Van Loan

Partner

With more than 35 years' experience spanning politics, law and academia, the Honourable Peter Van Loan brings a wealth of expertise to his clients. His long-standing involvement in the political sphere has included leadership positions with various federal ministries and volunteer roles at the municipal, provincial and federal levels.

Building on his experience as Canada's Trade Minister and Public Safety Minister, Peter has provided legal and strategic advice on trade matters to a wide range of business clients. This has included the navigation of tariff and counter-tariff issues and ensuring that clients' interests are advanced in trade negotiations. Since returning to private practice, Peter has acted on successful policy matters, major settlement area expansions, conversions and other Municipal Comprehensive Review matters within the Greater Toronto Area and Ontario as a whole.

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Breana recently completed her first year at the University of Windsor, Faculty of Law. She holds an Honours Bachelor of Commerce from the Smith School of Business at Queen's University.

Prior to law school, Breana worked at a global technology consulting firm, advising clients across Canada and the U.S. on M&A, corporate governance and technology strategy. In this role, she advised on Canada's largest bank merger and led the development of the first payer-provider operating model for what is now the fastest-growing group benefits insurer in Canada.