



Contracting Policy Notice 2025-1: Amendments to the Government Contracts Regulations

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Contracting Policy Notice 2025-1: Amendments to the Government Contracts Regulations

Date: January 2, 2025 (Updated January 9, 2026)

To: Senior Designated Officials for the Management of Procurement and Functional Heads of Procurement, Administration and Finance units at all departments

Subject: Amendments to the Government Contracts Regulations

Overview

The Governor in Council has approved changes to the Government Contracts Regulations (the regulations), which came into effect on December 16, 2024. The amendments and their explanations are detailed in the Canada Gazette. These amendments clarify longstanding procurement policy and practice.

The following types of contracts are now explicitly excluded from the requirements of the regulations:

1. A contract between the Government of Canada and a government entity (meaning a government of a province, a foreign state, a political subdivision of a foreign state, or a municipality; a Crown corporation or

a corporation or agency wholly owned by one of these governments; or an intergovernmental organization established by two or more states, or an agency of such an organization).

2. A contract where a national security exception (NSE) is properly invoked in accordance with section 10(3) of the *Canadian International Trade Tribunal Procurement Inquiry Regulations*, or where the procedure set out in subsection 10(3) has been followed for those procurements indispensable to national security that are not covered by a trade agreement.

Updates | new

The *Directive on the Management of Procurement* was amended to reinforce obligations for ensuring that accurate and comprehensive procurement records applicable to the procurement file are created and maintained, including when invoking an NSE.

Contracting authorities are responsible for including the approval letter signed by the appropriate assistant deputy minister, the rationale for invoking an NSE, and the justification for the selected procurement strategy in the procurement file (section 4.10.1.11).

When the information security categorization of the NSE documentation exceeds that of the procurement file, officers should include in the procurement file a reference note that confirms that the NSE was invoked. The note should cite the approving authority and the date of approval and should indicate that full supporting documentation is retained separately. The full NSE documentation should be stored in an approved secure repository in accordance with departmental security protocols.

Application

As with all exempted contracts in section 3 of the regulations, the deemed terms (section 18 of the regulations) continue to apply.

Section 10(3) of the *Canadian International Trade Tribunal Procurement Inquiry Regulations* sets out that a NSE is properly invoked when it has been approved in writing by an assistant deputy minister, or a person of equivalent rank, who is responsible for awarding the designated contract prior to the day on which the contract is awarded.

Departments continue to be required to maintain the government's commitment to fairness, openness and transparency in the bidding process for contracts. Where a NSE is properly invoked, departments are expected to continue to prioritize consideration of competitive procurement strategies, to the maximum extent possible, while protecting the national security interests of Canada.

Departments are reminded of their obligations to ensure that decisions related to procurement, including decisions to use a non-competitive process, are fully justified and documented. Accurate and complete procurement documentation must be created and maintained in the contract file.

As with any procurement, departments are required to ensure that proper controls, oversight and processes are in place for contracting. Departments are advised to update their departmental procurement management framework to reflect the amendments.

Enquiries

Questions about this policy notice or the regulations should be directed to TBS Public Enquiries.

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