



Contracting Policy Notice 2025-5: Reciprocity in Federal Procurement and Amendments to the Canadian International Trade Tribunal Procurement Inquiry Regulations

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Contracting Policy Notice 2025-5: Reciprocity in Federal Procurement and Amendments to the *Canadian International Trade Tribunal Procurement Inquiry Regulations*

Date: July 10, 2025

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

Subject: Reciprocity in Federal Procurement and Amendments to the *Canadian International Trade Tribunal Procurement Inquiry Regulations*

Overview

On June 19, 2025, the Government of Canada announced that it would begin implementation of reciprocal procurement policies “to limit access to federal procurements to suppliers from Canada and from our reliable trading partners that provide reciprocal access to suppliers from Canada through trade agreements.”

Public Services and Procurement Canada (PSPC), as the central purchasing agent for the Government of Canada, has developed an *Interim Policy on Reciprocal Procurement* (the policy) for the Government of Canada, which takes effect on July 14, 2025.

Under this policy, and subject to certain exceptions, a foreign supplier's eligibility to compete or be awarded a contract will depend on whether the procurement is subject to a trade agreement between Canada and the supplier's jurisdiction:

- if a supplier is from a country that has no procurement trade obligations with Canada, it will no longer have access to Canada's federal procurement market
- suppliers from countries that have a trade agreement with Canada that includes government procurement will continue to have access to Canada's federal procurement market—but only to the extent allowed by the specific terms of that agreement

Canadian suppliers will continue to be eligible to have access to all federal procurement opportunities, subject to other federal policies or programs.

The thresholds to determine whether a procurement may be subject to free trade agreements can be found in *Contracting Policy Notice 2025-8 Trade Agreements: Thresholds Update* and are in effect until December 31, 2027.

The policy aims to ensure that countries that do not provide Canadian suppliers, goods and services with a similar level of market access do not unfairly benefit from access to Canada's federal procurement market.

Complementary amendments have also been made to the *Canadian International Trade Tribunal Procurement Inquiry Regulations*, effective June 13, 2025, to clarify how the Canadian International Trade Tribunal (CITT) is

to interpret and apply Canada's procurement trade obligations as they relate to reciprocity, in line with the intent of Canada's trade agreements. Specifically, the amendments:

- make clear which suppliers from specific countries or customs territories that have standing can bring a complaint before the CITT, codifying existing practice that limits standing to Canadian suppliers or to suppliers of a trade agreement country that has procurement trade obligations
- include other clarifications to support the implementation of these changes. For example, limiting the potential remedies that the CITT may grant

The amendments and their explanations are outlined in the *Canada Gazette*.

Application

The policy applies to all new non-defence procurements over \$10,000 by or on behalf of any federal department or agency. Contracts and solicitations posted prior to July 14, 2025, will not be impacted.

Under the policy, for federal procurements that involve an open competition, a foreign supplier's eligibility to compete will depend on whether the solicitation is subject to a trade agreement between Canada and the supplier's jurisdiction.

If a supplier is from a jurisdiction that does not have a trade agreement with Canada and applies to a procurement process, it will no longer be eligible to compete, with limited exceptions.

Canadian suppliers will continue to be eligible to compete for all federal procurement opportunities, subject to other federal policies or programs.

The policy applies to all departments and agencies that have delegated authority for procurement from the Minister responsible for PSPC. Other federal organizations are expected to align their practices with the policy, as appropriate.

PSPC has developed operational guidance and training to support contracting authorities in implementing the requirements of the policy.

As a reminder, departments and agencies are obligated to fully justify and document all decisions taken with respect to a procurement, including in the application of this policy.

Enquiries

For enquiries about the policy, contact Public Services and Procurement Canada

TPSGC.PAAccordsCommerciaux-APTradeAgreements.PWGSC@tpsgc-pwgsc.gc.ca

For questions about the *Canadian International Trade Tribunal Procurement Inquiry Regulations*, contact the Department of Finance Canada's International Trade Policy Division at fin.simaconsult-lmsiconsult.fin@fin.gc.ca.

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