

RECONCILIATION AGREEMENT ON UPHOLSTERED AND STUFFED ARTICLES

(Ref.: CFTA Annex 404(14))

Whereas the Governments of Ontario, Manitoba, Quebec, and Canada (the “Parties”) resolve to:

Enhance the competitiveness of Canadian business;

Promote innovation and competition across Canada by reducing compliance costs, cutting red tape, and speeding up time to market;

Reduce and eliminate, to the extent possible, barriers to the free movement of goods, services, and investments within Canada; and

Uphold high levels of health, safety, and security for Canadians; and

Whereas the Parties recognize as primary goals that consumers:

- are adequately protected from potential hazards associated with the use of unsafe filling materials; and
- receive accurate and meaningful labelling information to help them make informed purchasing decisions; and

Whereas the Parties acknowledge that some businesses have raised concerns regarding measures maintained by some of the Parties which may have acted or are acting as barriers to the trade of upholstered and stuffed articles within Canada; and

Whereas Part B of Chapter 4 of the *Canadian Free Trade Agreement* (the “CFTA”) sets out a process for reconciliation of regulatory measures, including the establishment of a reconciliation agreement pursuant to section 14 of Annex 404 of the CFTA.

The Parties agree as follows:

1. Purpose and Scope of Agreement

1.1 The purpose of this Reconciliation Agreement (“Agreement”) is to eliminate red tape and reconcile regulatory measures that act as a barrier to the trade of upholstered and stuffed articles within Canada, in order to benefit businesses and protect the interests of consumers.

1.2 This Agreement specifies the following:

- upholstered and stuffed articles regulatory requirements to be reconciled;
- Party-specific and collective commitments to achieve reconciliation, including timelines for implementation;
- a process to address changes in circumstances; and
- procedures and timelines for the implementation of reconciliation and for the resolution of issues arising from implementation.

2. Regulatory measures being reconciled

Ontario:

Ontario Regulation 218/01: *Upholstered and Stuffed Articles* under the *Technical Standards and Safety Act, 2000*, S.O. 2000, c.16 (revoked July 1, 2019)

Manitoba:

The Bedding and Other Upholstered or Stuffed Articles Regulation, 78/2004 under *The Public Health Act*, C.C.S.M. c. P210 (repealed January 1, 2020)

Quebec:

Regulation Respecting Stuffing and Upholstered and Stuffed Articles (chapter M-5, r.1) and the *Act Respecting Stuffing and Upholstered and Stuffed Articles* (chapter M-5)

Canada:

The *Canada Consumer Product Safety Act*, S.C. 2010, c. 21 and the *Toys Regulations* under that Act, and the *Textile Labelling and Advertising Regulations* under the *Textile Labelling Act*, R.S.C., 1985, c. T-10

3. Means to achieve reconciliation

3.1 Party-Specific Commitments:

Ontario commits to:

- Revoking Ontario Regulation 218/01: *Upholstered and Stuffed Articles* under the *Technical Standards and Safety Act, 2000*, S.O. 2000, c.16; and
- Relying on Canada's measures listed in Article 2 in the areas of upholstered and stuffed articles including textile labelling and consumer product safety.

Manitoba commits to:

- Repealing *The Bedding and Other Stuffed Articles Regulation, 78/2004* under *The Public Health Act*, C.C.S.M. c. P210; and
- Relying on Canada's measures listed in Article 2 in the areas of upholstered and stuffed articles including textile labelling and consumer product safety.

Quebec commits to:

- Within six months of the entry-into-force of this Agreement:
 - complete a comparative analysis to identify any material differences between Quebec's measures and Canada's measures listed in Article 2 of this Agreement ("Comparative Analysis");
 - share the results of the Comparative Analysis with the other Parties; and
 - inform the other Parties whether it intends to eliminate, modify or maintain the requirements set out in its measures listed in Article 2 of this Agreement.

Canada commits to:

- Providing relevant information to Quebec on request to inform the Comparative Analysis; and
- Continue to administer and enforce the federal measures listed in Article 2 in the areas of upholstered and stuffed articles as it relates to textile labelling and consumer product safety.

3.2 Collective commitments:

Each Party commits to:

- Notify the other Parties of emerging issues and developments that relate to their commitments under the Agreement;
- Share upon request, relevant information related to their compliance guidelines, administrative practices, policies, and other matters that may be of mutual interest in relation to upholstered and stuffed articles in Canada;
- Review the Comparative Analysis for the purpose of deciding whether to amend this Agreement; and
- Not adopting future regulatory measures that re-introduce trade barriers, overlap or duplicate existing applicable measures or circumvent this Agreement, consistent with Article 403.3 of the CFTA.

4. Extent to which this Agreement addresses identified barriers

This Agreement addresses identified barriers by:

- eliminating regulatory differences, overlap, or duplication that act as barriers to trade in upholstered and stuffed articles within Canada;
- maintaining adequate levels of protection for consumers as reflected in upholstered and stuffed articles continuing to be subject to federal measures listed under Article 2 and to provincial health and safety measures covering all goods and services;
- reducing costs to business; and
- improving opportunities for trade.

5. Amendment and Withdrawal

5.1 This Agreement may be amended by the unanimous written consent of the Parties on the occurrence of:

- The completion of the Comparative Analysis undertaken by Quebec under article 3; or
- Other developments.

5.2 A Party wishing to amend this Agreement shall provide Notice to the Parties including: (a) a description of the change; and (b) the impact of the change on this Agreement.

5.3 Parties shall respond to the Notice provided under 5.2 within 30 days, including: whether the Party agrees, disagrees, or, agrees or disagrees but with modifications. Parties shall enclose any proposed modifications to the proposed amendments in their response. The Party wishing to amend the Agreement shall then respond to any proposed modifications to the proposed amendments within 15 days.

5.4 After unanimous written consent has been obtained, the Party proposing the amendment shall provide a final copy of it to all Parties and the Regulatory Reconciliation and Cooperation Table ("RCT") Chair as soon as reasonably practicable.

5.5 All amendments to this Agreement shall be published on the CFTA website as soon as reasonably practicable and the Parties shall communicate in a timely manner any such amendments to their respective stakeholders considered to be affected by the amendments.

5.6 No amendment or change to this Agreement shall be valid unless it is in writing and signed by all Parties.

5.7 A Canadian province or territory may accede to this Agreement by the unanimous written consent of the Parties.

5.8 Any Party may withdraw from this Agreement upon 120 days written notice to all other Parties and the RCT.

6. Extraordinary events

6.1 An “Extraordinary Event” is an event that, due to its occurrence, reasonably requires a Party to reconsider its ability to meet its obligations under this Agreement.

6.2 A Party may unilaterally suspend, without advance notice, its obligations under this Agreement, to respond to an Extraordinary Event and shall only do so to the extent and for the time needed to respond to the Extraordinary Event.

6.3 As soon as is practically possible after suspending its obligations, the suspending Party shall give written notice to all the other Parties and the RCT Chair that includes a description of the Extraordinary Event, the obligations being suspended, and probable duration of the suspension. This notice shall be published on the CFTA website.

6.4 When the Extraordinary Event ends or the suspension is no longer necessary, the suspending Party shall immediately lift such suspensions and reinstate its obligations under this Agreement.

7. Dispute resolution

7.1 If a dispute arises out of or relating to this Agreement, any Party directly involved in the dispute may initiate discussions with the other Party or Parties to the dispute, and the disputing Parties shall in good faith try to negotiate a resolution of the dispute.

7.2 To initiate discussions, the initiating Party shall deliver written notice to the other Party or Parties to the dispute outlining the specific measure, action or omission which is claimed to be inconsistent with this Agreement, the relevant provision of this Agreement and a brief summary of the complaint. A copy of this notice shall also be delivered to the other Parties and the RCT Chair.

7.3 Within 30 days of the notice being delivered to all Parties, the Parties involved in the dispute shall begin discussions in good faith with each other in an effort to negotiate a mutually satisfactory resolution.

7.4 If the Parties are unable to negotiate a mutually satisfactory resolution within 30 days of the start of discussions, any Party to the dispute may then initiate the dispute resolution processes under Chapter 10 of the CFTA.

8. Costs

Each Party is responsible for its costs and expenses in relation to this Agreement, including implementation, unless otherwise agreed to in writing by the Parties.

9. Communication

9.1 The Parties shall ask the RCT Chair to publish this Agreement, and any approved amendments to this Agreement on the CFTA website.

9.2 Parties shall endeavor to publicize this Agreement and any amendments to it.

10. Confidential information

Information gathered by the Parties in carrying out this Agreement is subject to the applicable federal, provincial and territorial legislation regarding access to information and privacy. Any information provided during RCT Working Group meetings and any information marked as confidential shall be considered confidential information ("Confidential Information"). No Party shall disclose Confidential Information except if disclosure is authorized or required by law, or where written consent has been provided by the Party who provided the information. When a Party is required by law or intends to disclose Confidential Information to a third party, that Party shall, as soon as reasonably practicable, notify the affected Party before disclosing the information. This Article shall survive the expiry or termination of this Agreement or the withdrawal of a Party from this Agreement.

11. Notice

11.1 Any notice, information or document required under this Agreement is deemed delivered if forwarded by email or mail. Any notice sent by email is deemed received one (1) business day after it is sent; any notice mailed is deemed received eight (8) business days after being mailed.

11.2 The Party responsible for the notices, information and documents mentioned in Article 11.1 shall send such notices, information and documents to the Internal Trade Secretariat, with a request for the Internal Trade Secretariat to distribute to the other Parties.

12. Counterparts

This Agreement and any amendments to this Agreement may be signed in counterpart.

13. Language

This Agreement has been made and executed in English and French and both versions are equally authoritative.

14. Entry into Force

This Agreement enters into force when all Parties have signed the Agreement.

15. Signatures and date



**CANADIAN
FREE TRADE
AGREEMENT**
**ACCORD DE
LIBRE-ÉCHANGE
CANADIEN**

REGULATORY RECONCILIATION AND COOPERATION

As the duly authorized representative of:

Ontario

Party

I hereby sign the:

**RECONCILIATION AGREEMENT ON
UPHOLSTERED AND STUFFED ARTICLES**

Signature

Lisa M. Thompson

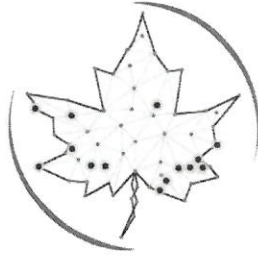
Name

Minister of Government and Consumer Services

Title

August 6, 2020

Date



**CANADIAN
FREE TRADE
AGREEMENT
ACCORD DE
LIBRE-ÉCHANGE
CANADIEN**

REGULATORY RECONCILIATION AND COOPERATION

As the duly authorized representative of:

PROVINCE OF MANITOBA
Party

I hereby sign the:

**RECONCILIATION AGREEMENT ON
UPHOLSTERED AND STUFFED ARTICLES**

Scott Fielding
Signature

SCOTT FIELDING
Name

MINISTER OF FINANCE
Title

SEPTEMBER 21, 2020
Date



CANADIAN
FREE TRADE
AGREEMENT
ACCORD DE
LIBRE-ÉCHANGE
CANADIEN

REGULATORY RECONCILIATION AND COOPERATION

As the duly authorized representatives of:

Québec
Party

We hereby sign the:

**RECONCILIATION AGREEMENT ON
UPHOLSTERED AND STUFFED ARTICLES**



Signature

PIERRE FITZGIBBON

Name

Ministre de l'Économie et
DE l'Innovation

Title

28 octobre 2020

Date



Signature

SONIA LABEL

Name

Ministre responsable des
RELATIONS CANADIENNES ET
DE LA FRANQUOISIE CANADIENNE

Title

10 nov 2020

Date



**CANADIAN
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AGREEMENT
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REGULATORY RECONCILIATION AND COOPERATION

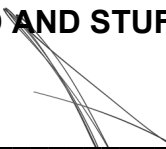
As the duly authorized representative of:

Government of Canada

Party

I hereby sign the:

**RECONCILIATION AGREEMENT ON
UPHOLSTERED AND STUFFED ARTICLES**



Signature

Roger Charland

Name

**Director General, Consumer and Hazardous Products Safety Directorate,
Health Canada**

Title

September 2, 2020

Date



**CANADIAN
FREE TRADE
AGREEMENT
ACCORD DE
LIBRE-ÉCHANGE
CANADIEN**

REGULATORY RECONCILIATION AND COOPERATION

As the duly authorized representative of:

Canada

Party

I hereby sign the:

RECONCILIATION AGREEMENT ON UPHOLSTERED AND STUFFED ARTICLES

Signature

Anthony Durocher

Name

**Deputy Commissioner,
Competition Promotion Branch**

Title

2020-09-04

Date