

TECHNICAL BRIEFING

The Protect Ontario through Free Trade within Canada Act, 2025



**PROTECT
ONTARIO**

Ministry of Economic Development, Job Creation and Trade

April 16, 2025

Ontario 

Overview: The need for action

In response to President Donald Trump's tariffs and threats of economic force against Canada, the government has a plan to protect Ontario, its workers, businesses and communities, including through new pieces of legislation to make the province's economy the most competitive in the G7.

U.S. tariffs and related trade policies have created significant uncertainty and risk for Ontario's workers and businesses, underscoring the need for urgent action to protect the province's economy.

Recent studies have pointed to the impact of internal trade barriers across Canada:

- 2022 modelling estimates by the Macdonald-Laurier Institute suggest removing all regulatory differences between provinces and territories could increase Canada's economy by up to **7.9 per cent** over the long-term, equivalent to up to **\$200 billion per year**.
- Statistics Canada's modelling estimates suggest that internal trade barriers are equivalent to an almost **7 per cent tariff**.

The *Protect Ontario through Free Trade Within Canada Act, 2025* would, if passed, remove existing barriers to **strengthen internal trade, reduce costs for Ontarians, and encourage initiatives to buy local**.

Overview: Highlights

Mutual Recognition Enabling (MRE) legislation

The legislation will enable the government to direct Ontario regulators of goods, services and registered workers to mutually recognize the goods, services and registered workers of reciprocating Canadian provinces and territories and the federal government. This will create new commercial opportunities for Ontario businesses and workers, lower the costs of doing business across Canada, and provide Ontario consumers better access to 'made in Canada' goods and services.

Removal of Canadian Free Trade Agreement (CFTA) Party-Specific Exceptions (PSEs)

Becoming the first government in Canada to unconditionally remove all 23 of its PSEs under the CFTA and maintain no trade-related exceptions against other provinces, territories or the federal government.

Expanding labour mobility

Implementing "As of Right" entry more broadly, improving service standards and pursuing other supporting measures will remove labour mobility barriers for certified workers across the country and improve employers' access to these workers.

Overview:

Highlights (continued)

Increasing labour mobility for regulated health professions

The government will consult on a number of measures which would allow regulated health professions to work immediately upon arrival instead of having to wait to be registered with the Ontario regulatory college. These include consulting on: expanding “As of Right” rules to additional regulated health professions and to American-licensed physicians and nurses and exploring the automatic recognition of another Canadian province, territory or federal governments’ licences for nurses and physicians.

Direct-to-Consumer sales

Introducing an interprovincial Direct-to-Consumer model for beverage alcohol sales will allow Ontario producers to more easily sell directly to consumers in other provinces, and Ontario consumers to purchase alcohol directly from producers in other provinces.

Buy Ontario/Buy Canadian initiatives

Establishing a “Buy Ontario, Buy Canadian” day on the last Friday in June each year to remind consumers, retailers and manufacturers of programs such as Ontario Made to encourage them to look for and choose made-in-Canada products.

Mutual recognition enabling legislation

Current state:

Businesses and professionals who want to work in multiple provinces and territories often face different rules, requirements and procedures that create unnecessary regulatory burden, adding to the costs of doing business, effectively lowering their productivity and reducing their competitiveness.

Future state:

This legislation will support the removal of internal barriers to trade in goods, services and registered workers with reciprocating provinces, territories or the federal government through mutual recognition. The *Protect Ontario through Free Trade within Canada Act*, if passed, would ensure that a good, service or registered worker that is good enough for sale, use, or work in the reciprocating province, territory or federal government, will be good enough for sale, use, or work in Ontario.

Key legislative/regulatory actions:

Legislative: Pass the *Protect Ontario through Free Trade within Canada Act, 2025*

Regulatory: Develop implementing regulations with each reciprocating province, territory or the federal government to i) recognize that province, territory, or federal government as reciprocating and ii) outline the specific conditions of mutual recognition that apply to that reciprocating province, territory or federal government.

Mutual recognition enabling legislation (cont'd)

High visibility safety apparel (HVSA): HVSA is designed to make the wearer more visible in low-light conditions or environments where visibility is crucial for safety. At present, some of the rules governing the use of HVSA have slight variations between provinces and territories, despite the clothing often being similar both in appearance and performance.

- Mutual recognition of HVSA regulations could enable Ontario companies and/or workers to use Ontario-approved HVSA on a project in a reciprocating province, saving them time and money, notably in not having to purchase multiple sets of slightly differing safety apparel to meet varying regulations.

Trucking signage, flags and lighting requirements for oversize/overweight permitted loads: Current rules require some trucks to stop at provincial and territorial borders to change signage before entering another province or territory. Trucks crossing jurisdictions may also need to be equipped with different lighting and flag configurations to meet the different provincial and territorial requirements.

- Further harmonizing these requirements could enable companies to use their home-province or territory approved signs, flags and/or lighting equipment, saving them time and money by avoiding to have to purchase or switch equipment as they cross into a different jurisdiction.

Removal of Canadian Free Trade Agreement (CFTA) Party-Specific Exceptions (PSEs)

Current state:

The CFTA is a pan-Canadian agreement between the federal, provincial, and territorial governments (Parties) that entered into force on July 1, 2017. The Agreement applies to all government laws, regulations, and other measures unless they are excluded under general or Party-specific exceptions that allow each Party to maintain certain measures that may be inconsistent with the rules of the CFTA. **The Agreement has over 100 pages of exceptions maintained by Parties that distort and block the flow of trade across the country.** Ontario has 23 PSEs that will be removed immediately (see Appendix 1 for overview of these exceptions).

Future state:

Removal of all of Ontario's Party-specific exceptions in the CFTA demonstrates the Province's leadership in reducing internal trade barriers. Ontario has delivered on its commitment to First Ministers to complete a rapid review of its remaining exceptions well before June 1, 2025. Removing all exceptions from the CFTA today demonstrates Ontario as a leader across all provinces, territories, and the federal government, with the end state being that the Province will be the first and only Party to maintain no Party-specific exceptions in the agreement.

Key legislative/regulatory actions:

Minister's letter (from the Minister of Economic Development, Job Creation and Trade) to CFTA Parties and the Internal Trade Secretariat notifying them of Ontario's PSE removals in accordance with CFTA protocols.

Ontario PSEs for removal

While the following 23 PSEs will be removed upon passage of this legislation, the policies they cover will remain in place. Ontario urges all other parties to the CFTA to follow Ontario's lead to support genuine free trade across Canada.

#	PSE	Description
1	Annex I, Exception 2 – Real Estate Services	Requires that real estate services providers registered with the Real Estate Council of Ontario and operating in Ontario maintain a local presence or residence in Ontario.
2	Annex I, Exception 4 – Motor Vehicle Dealers	Requires that motor vehicle dealers operating in Ontario and registered with the Ontario Motor Vehicle Industry Council maintain a physical place of business in Ontario.
3	Annex I, Exception 5 – Travel Agents	Requires that travel agents and travel wholesalers operating in Ontario and registered with the Travel Industry Council of Ontario carry on business in Ontario only from a permanent place of business in Ontario.
4	Annex I, Exception 8 – Marriage Licences	Allows Ontario to require that persons eligible to issue marriage licences, and to solemnize marriage, be an Ontario resident or have a parish or pastoral charge in Ontario.
5	Annex I, Exception 16 – Collection Agencies	Requires that collection agencies operating in Ontario and registered under the <i>Collection and Debt Settlement Services Act</i> carry on business only from a permanent place of business in Ontario.
6	Annex I, Exception 9 – Crown Timber Harvesting	Allows Ontario to limit the number of forest resource licenses issued.
7	Annex I, Exception 10 – Wild Rice Harvesting	Allows Ontario to privilege Ontario residents, including Indigenous harvesters, with respect to the harvesting of wild rice.
8	Annex I, Exception 14 – Driver Education and Training	Allows Ontario to require that service providers own or lease premises in Ontario that serve as the driving school's office and classrooms.
9	Annex I, Exception 15 – Livestock Medicine Licenses	Applies to a measure that requires an "established place of business" to sell livestock medicine, allowing the province to conduct inspections and protect animal and human health.
10	Government Procurement – Poverty Reduction	Exempts Ontario from certain government procurement obligations for procurements that target poverty reduction for disadvantaged natural persons if the value of the procurement is below \$200,000. This PSE was included in the CFTA to enable policies being pursued under Ontario's Social Enterprise Strategy (2016-2021), which is no longer active.
11	Annex II, Exception 2 – Non-Medical Cannabis	Allows Ontario to introduce potentially non-compliant measures related to the retailing and wholesaling of cannabis, within five years of entry into force of the CFTA cannabis commitments (i.e. January 2024).

Ontario PSEs for removal (cont'd)

#	PSE	Description
12	Annex I, Exception 11 – Trapping Licences	Allows Ontario to deny trapping licences to those from other provinces and territories who do not meet the definitions of 'Ontario resident' or 'Canadian citizen'.
13	Annex I, Exception 12 – Hunter Education Course Instructors	Allows Ontario to ensure that only qualified Ontario residents may work as hunting instructors.
14	Annex I, Exception 13 – Hunting Guides	Allows Ontario to deny hunting guide licenses to those from other provinces and territories who do not meet the definitions of 'Ontario resident' or 'Canadian citizen'.
15	Government Procurement – International Crossings	Exempts Ontario from the CFTA's government procurement obligations with respect to procurement related to jointly-owned international crossings between Ontario and another country (i.e. the U.S.) or a sub-central jurisdiction of that country (e.g. Minnesota).
16	Annex I, Exception 1 – Energy	Allows Ontario to constrain market access by limiting the number of entities that can establish or expand electricity and natural gas infrastructure and/or produce, transmit, distribute, conserve, store, sell, retail or market energy in Ontario. It also allows Ontario to favour Ontario residents or businesses and impose performance requirements (e.g. local content requirements) in the natural gas and electricity sub-sectors.
17	Annex II, Exception 1 – Energy	Allows Ontario to limit market access in a large number of energy-related sub-sectors.
18	Annex I, Exception 3 – Wine Content Labelling	Preserves Ontario's ability to mandate the use of locally grown grapes in wine production.
19	Annex I, Exception 6 – Regulation of Alcohol	Protects Ontario's ability to maintain the Liquor Control Board of Ontario's (LCBO) exclusive wholesale rights and allows for the sale of beer through The Beer Store as provided for in commercial agreements with The Beer Store and its owners.
20	Annex I, Exception 7 – Alcohol – Offsite and Onsite Retail Stores	Allows Ontario wine, spirits and beer manufacturers to operate onsite stores for the sale of their own wine, spirits, and beer, respectively, and to require that offsite winery retail stores sell only wine produced by Ontario wineries.

Ontario PSEs for removal (cont'd)

#	PSE	Description
21	Annex I, Exception 18 – Non-Medical Cannabis	Allows Ontario to limit the number and location of retail stores operated by licensed producers, eligibility for a retail operator licence, and number of retail store authorizations, allow only the Ontario Cannabis Retail Corporation (OCRC) and holders of a retail store authorization to sell cannabis, and to maintain the OCRC exclusive rights.
22	Annex I, Exception 17 – Collective Marketing, including Supply Management	Supports in maintaining protections for collectively marketed goods (including supply managed goods).
23	Government Procurement – Office of the Legislative Assembly	Exempts Ontario from the CFTA's government procurement obligations with respect to procurements conducted by the Office of the Legislative Assembly of Ontario.

Expanding labour mobility

Current state:

Certified workers from other Canadian jurisdictions must be registered with the relevant Ontario regulator. The applicant worker must wait until the process is complete before working in their occupation in Ontario. Most Ontario regulators have no required timelines to complete their review and registration process for an interprovincial labour mobility application. Regulators could ask for additional non-material requirements and don't have to provide standardized information about the application process.

Future state:

Ontario would have a legislative framework to enable "As of Right" entry for occupations governed by regulators under the *Ontario Labour Mobility Act, 2009*. This proposed "As of Right" rule would expand beyond the current health sector "As of Right" rules that allows specific health care professionals such as physicians and nurses registered in another province or territory to work in Ontario for up to six months while completing their full application for registration with the Ontario regulator. Once a regulation is in place in relation to a particular occupation, certified workers from other jurisdictions could start working as soon as they have notified the Ontario regulator and received a confirmation of receipt of that notification from the regulator. They would not have to wait to be formally registered. "As of Right" entry means a certified worker in another province is recognized as qualified to work in the same occupation in Ontario (subject to any rules or limitations in the regulations) while waiting to be registered by the Ontario regulator.

New service standards would be in place for all Ontario regulatory authorities, including a limit of 30 calendar days to issue a decision regarding certification in Ontario, upon receipt of a complete interprovincial labour mobility application. The province would have additional powers to oversee the registration processes of Ontario's regulatory authorities.

Key legislative/regulatory actions:

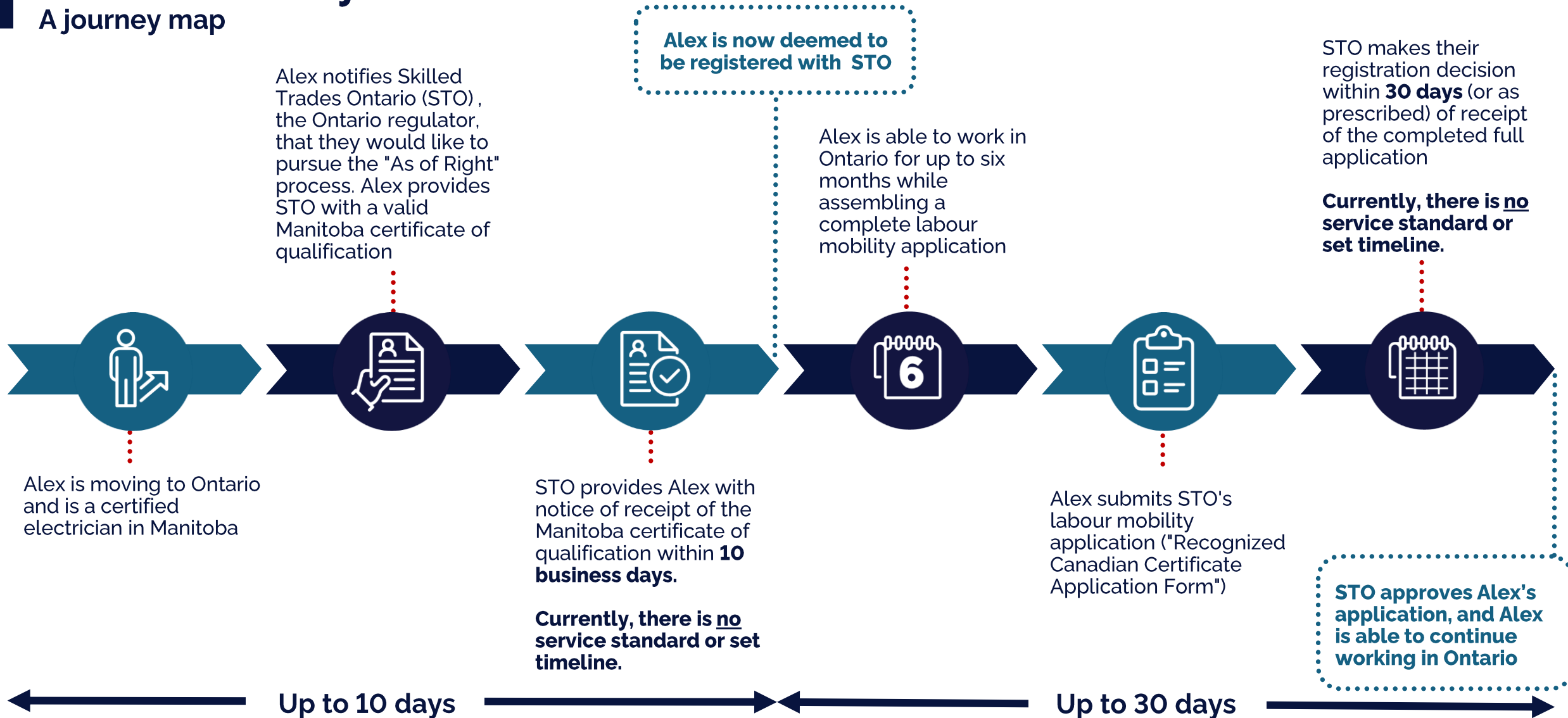
Ontario intends to introduce amendments to the *Ontario Labour Mobility Act, 2009* to enable the removal of labour mobility barriers, reduce administrative burdens, and simplify the movement of certified workers across Canadian jurisdictions.

The province will consult with regulators on the implementation of the new service standards and the development of regulations and to implement "As of Right" rules for regulated professions under the Act.

Accelerating Ontario labour mobility

A journey map

Proposed Future State
Example: Certified Electrician
(construction and maintenance)



Increasing labour mobility for regulated health professions

Current state:

Currently, four health professions (nurses, physicians, respiratory therapists and medical laboratory technologists) may practice in Ontario while they wait for registration in an Ontario health regulatory college and only in hospitals and long term-care homes; Canadian physicians and nurses must maintain registration in each province they work in and face duplicative administrative burdens and fees. Fully qualified, American-licensed nurses and physicians must register with Ontario's regulator before practising despite having substantially similar education.

Future state:

Allowing more regulated health professionals (audiologists, speech-language pathologists, chiropractors, dentists, dental hygienists, dental technologists, denturists, dietitians, medical radiation and imaging technologists, midwives, occupational therapists, opticians, optometrists, pharmacists, pharmacy technicians, physician assistants, physiotherapists, psychologists), in good standing, to begin practicing in Ontario while they wait for registration in an Ontario health regulatory college; removing restrictions on where they may work using "As of Right" rules so that they may work closer to their patients such as community clinics, laboratories and pharmacies; welcoming American-licensed nurses and physicians to Ontario; reducing duplication and removal of administrative burden for nurses and physicians will maintain Ontario's leadership in promoting the mobility of health professions within Canada and reducing barriers to practice in Ontario.

Key actions:

Consult on:

- Removing restrictions on where the four current professions and future professions using Ontario's "As of Right" rules may practice.
- Allowing American-licensed physicians and nurses to use Ontario's "As of Right" rules.
- Expanding Ontario's "As of Right" rules to more professions.
- Automatically recognizing another Canadian jurisdiction's nursing and physician registration as valid in Ontario.

Direct to consumer sales

Current state:

Currently, Ontario consumers can only purchase alcohol from another province by purchasing alcohol listed by the LCBO; by purchasing it in another province and personally transporting it to Ontario for personal use; or by ordering via the LCBO Private Ordering Program.

Future state:

A fully implemented Direct to Consumer sales system with other reciprocating provinces and territories would allow consumers to purchase alcohol directly from producers across Canada. Ontario producers would also have the opportunity to sell beverage alcohol to consumers in other reciprocating provinces and territories, creating the conditions for increased consumer choice and economic growth opportunities for businesses.

Key legislative/regulatory actions:

Legislative and regulatory amendments to the *LCBO Act, Liquor Licence and Control Act, 2019*, and Ontario Regulation 745/21 (General) that would:

- Enable the LCBO to implement a framework to facilitate interprovincial direct-to-consumer sales between manufacturers and consumers;
- Provide authority to enter into and implement any bilateral or multilateral DTC agreement; and
- Remove a provision respecting the lawful possession of imported liquor and associated sunset clause

Buy Ontario/ Buy Canadian initiatives

Current state:

Canadian consumers increasingly value local production and wish to support domestic products, and in certain cases, domestic businesses, but those products and business can be difficult to identify.

Future state:

Increased consumer awareness of products with Canadian content or affiliated with Canada, with a spotlight from an annual “Buy Ontario, Buy Canadian” day. Increased consumer, retailer and manufacturer awareness of the existing Ontario Made branding program and interest in choosing made-in-Canada products.

Key actions:

Establish a “Buy Ontario, Buy Canadian” day on the last Friday in June each year (through legislation).

Explore ways that retail businesses can make it easier for consumers to identify Canadian products at the point-of-sale, including voluntary market-led approaches and the potential need for regulatory initiatives.

Promote the continued use of the Building Ontario Businesses Initiative (BOBI/BOBIA) and support ministries in leveraging the Industrial Regional and Technology and Benefit (IRTB) for large dollar value procurements with a focus on domestic industry and supply chains, like steel and forestry products.