

Annex 502.3

**Procurement - Provisions for Entities of a Commercial or Industrial Nature
or Those Which Have Been Granted Exclusive Rights by a Party**

C. Contracting Rules

2. Policies referred to in paragraph 1 may contain measures intended to achieve a legitimate objective as defined in Article 200 of the Agreement on Internal Trade, provided that it can be demonstrated that:

- (a) the purpose of the measure is to achieve a legitimate objective;
- (b) the measure does not operate to impair unduly the access of persons, goods, services or investments of a Party that meet the legitimate objective;
- (c) the measure is not more trade restrictive than is necessary to achieve the legitimate objective; and
- (d) the measure does not create a disguised restriction on trade.

CHAPTER TWO: GENERAL DEFINITIONS

Article 200: Definitions of General Application

legitimate objective means any of the following objectives pursued within the territory of a Party:

- (a) public security and safety;
- (b) public order;
- (c) protection of human, animal or plant life or health;
- (d) protection of the environment;
- (e) consumer protection;
- (f) protection of the health, safety and well-being of workers; or
- (g) affirmative action programs for disadvantaged groups;

considering, among other things, where appropriate, fundamental climatic or other geographical factors, technological or infrastructural factors, or scientific justification.

Except as otherwise provided, "legitimate objective" does not include protection of the production of a Party or, in the case of the Federal Government, favouring the production of a Province.

For greater certainty, "legitimate objective" may be amended by a provision in Part IV.