

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

RESTRICTED

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Special Distribution

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Committee on Government Procurement

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PREPARATIONS FOR FURTHER NEGOTIATIONS  
FORESEEN IN ARTICLE IX:6(b)

Communication from Canada

The following communication, dated 21 February 1983, has been received from the delegation of Canada.

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The attached are being supplied by my authorities pursuant to item "d" on the agenda for the meeting of the Committee on Government Procurement on 24 February. The three attachments concern:

- (1) Entities which are not presently covered under the Agreement
- (2) Services acquired internationally by the Government of Canada
- (3) Current Canadian Government Leasing Practices

ENTITIES

Entities which are not Presently Covered  
under the Agreement

Agricultural Stabilization Board  
Canada Council  
Canada Deposit Insurance Corporation  
Canadian Patents and Development Limited  
Canadian Radio-Television and Telecommunications Commission  
Canadian Transport Commission  
Crown Assets Disposal Corporation  
Department of Communications  
Department of Fisheries and Oceans  
Department of Transport  
Export Development Corporation  
Federal Court of Canada  
Freshwater Fish Marketing Corporation  
The International Development Research Centre  
Law Reform Commission  
National Arts Centre Corporation  
National Harbours Board  
Northern Transportation Company Limited  
Northern Pipeline Agency  
Pilotage Authorities:  
    Atlantic Pilotage Authority  
    Laurentian Pilotage Authority, Ltd.  
    Great Lakes Pilotage Authority, Ltd.  
    Pacific Pilotage Authority  
Standards Council of Canada

SERVICES

Services Acquired Internationally by  
the Government of Canada

Addressing, distribution and mailing lists  
Advertising  
Aerial inspection and reconnaissance  
Business systems (analysis, design and development)  
Communications  
Construction  
Consulting (administrative: organization structures and development;  
engineering; environmental planning and control; marketing)  
EDP professional services  
EDP training  
Financial accounting and audit  
Food catering  
General commercial photography  
Ground transportation  
Laboratory testing and inspection (except medical)  
Landscaping and horticultural services  
Laundry and dry cleaning  
Library services  
Management of conferences, meetings, etc.  
Miscellaneous computer services  
Office help  
Technical writing services  
Transportation (passenger and freight, air and sea)

LEASING

Current Canadian Government Leasing Practices

Canadian Government acquisition practices with regard to leasing of equipment fall into four possible categories:

- (i) Leasing "per se" where there is no intention to purchase although it is normal practice that the tenders include a possible price for an outright purchase.
- (ii) Leasing with an option to purchase where the lessee can exercise the right to purchase during or at the end of the lease term at a price determined by the age/wear/current market value of the item but where it is the use of the equipment which is the prime objective.
- (iii) Leasing with an obligation to purchase where it has been decided to acquire the goods and only the method of payment is under negotiation. This is an exercise very similar to "hire purchase" or "timed payment" where the lessee is obligated to paying off the value of the goods (plus interest charges) over a set period, or contracts to pay for the use of the item over a period of time with a final lump-sum payment. The intention in these cases is clearly to purchase the goods.
- (iv) Leasing or immediate purchase where the tender invitation calls for a purchase price on delivery as well as the price to lease. A decision to lease or to purchase is made after the evaluation of the tenders.