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Tax Alert – Canada

Federal procurement thresholds for free trade agreements updated

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The Government of Canada published [Contracting Policy Notice 2025-8 Trade Agreements: Thresholds Update](#), on 5 January 2026.

This notice updates the fiscal thresholds for determining whether federal procurement requests are subject to internal and international free trade agreements, applicable for the 2026 and 2027 calendar years.

The terms of internal and international free trade agreements apply to federal requests for procurements that meet or exceed listed Canadian dollar (\$CA) thresholds, subject to certain exceptions. These agreements set out rules relating to various aspects of the procurement process, including the publication of notices of intended procurement, time limits for the tendering process, technical specifications, tendering procedures and the awarding of contracts.

Notices of intended procurement must be published through the Government Electronic Tendering Service for procurement requests that are subject to free trade agreements.

Thresholds for determining the applicability of free trade agreements are updated every two years. Notice 2025-8 updates Contracting Policy Notice 2023-6 to provide new thresholds for the period from 1 January 2026 to 31 December 2027.



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The following table illustrates the increases to the thresholds for the Canadian Free Trade Agreement, which commits the federal, provincial and territorial governments to rules that aim to eliminate technical barriers to trade within Canada:

Thresholds for internal agreements (\$CA)						
Period	Entities (departments and agencies)			Crown corporations and other government enterprises		
	Goods	Services	Construction	Goods	Services	Construction
2024-2025	33,400	133,800	133,800	668,800	668,800	6,685,000
2026-2027	34,700	139,000	139,000	694,700	694,700	6,943,900

The following table displays increases to the thresholds for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Canada-Ukraine Free Trade Agreement, and World Trade Organization - Agreement on Government Procurement:

Thresholds for international agreements (\$CA)						
Period	Entities (departments and agencies)			Crown corporations and other government enterprises		
	Goods	Services	Construction	Goods	Services	Construction
2024-2025	229,600	229,600	8,800,000	627,200	627,200	8,800,000
2026-2027	239,200	239,200	9,200,000	653,200	653,200	9,200,000

Notice 2025-8 also indicates that thresholds for the following free trade agreements will be updated when the underlying data becomes available:

- ▶ Canada-Chile Free Trade Agreement;
- ▶ Canada-Colombia Free Trade Agreement;
- ▶ Canada-Honduras Free Trade Agreement;
- ▶ Canada-Panama Free Trade Agreement; and
- ▶ Canada-Peru Free Trade Agreement.

Learn more

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