



Cassels Foreign Investment & Merger Control Checklist and Screening Guide (2026)

This checklist and guide are intended to help transaction teams quickly identify the mandatory and national security foreign investment and competition/merger control approvals and/or filings that may be required in connection with transactions and investments involving Canadian businesses.

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PART I: INVESTMENT CANADA ACT

STEP 1: ICA FILING REQUIRED?

An Investment Canada Act (ICA) filing is required when a non-Canadian:

- acquires **control** of an existing Canadian business; or
- establishes a **new** Canadian business.

Investments involving a direct or indirect acquisition of control of a Canadian business require a filing under the ICA (subject to limited exemptions) within thirty (30) days of closing. However, only a relatively small subset of transactions are subject to mandatory **pre-closing** notification and review/approval.

Acquisition of Control

For corporations:

- an acquisition of less than one-third of the voting shares generally does not constitute control;
- an acquisition of between one-third and 50% of the voting shares is presumed to confer control,
- subject to a rebuttal presumption;
- an acquisition of more than 50% of the voting shares constitutes control.

For partnerships, trusts and other non-corporate entities, control is generally acquired through the acquisition of a majority of voting interests.

Asset acquisitions may also constitute an acquisition of control where all or substantially all of the assets used in carrying on a Canadian business are acquired.

STEP 2: PRE- CLOSING ICA NET BENEFIT APPROVAL REQUIRED?

While most investments involving a direct or indirect acquisition of control of a Canadian business are subject only to a mandatory post-closing notification requirement, larger transactions involving direct acquisitions of control of non-cultural Canadian businesses and direct or indirect acquisitions of control of Canadian cultural businesses may require a pre-closing review and approval.

2026 ICA PRE-CLOSING REVIEW THRESHOLDS	
Investor Category	Direct Acquisition of Control Threshold
WTO investor (non-SOE) – publicly traded target, privately held target or asset acquisition	≥ C\$1.452 billion enterprise value
Trade Agreement investor (non-SOE) – publicly traded target, privately held target or asset acquisition	≥ C\$2.179 billion enterprise value
State-owned enterprise (SOE)	≥ C\$578 million book value of assets
Cultural business	≥ C\$5 million book value of assets
Non-WTO investor acquiring a non-WTO-controlled target	≥ C\$5 million book value of assets
Indirect non-WTO investments and indirect investments in the cultural sector	≥ C\$50 million book value of assets (C\$5 million in certain cases)

A higher trade agreement threshold ($\geq$ C\$2.179 billion) generally applies to direct acquisitions of control of non-cultural Canadian businesses by investors from countries that have qualifying trade agreements with Canada (e.g., the US, EU member states, Japan, Mexico, etc.) provided the investor is not state-owned and is ultimately controlled by nationals of those jurisdictions.

Transactions Typically Requiring Only a Post-Closing ICA Notification

The following transactions are generally subject only to a post-closing ICA notification filing:

- direct acquisitions below the applicable review threshold;
- indirect acquisitions by WTO and trade agreement investors; and
- establishment of a new Canadian business.

Notification-only (and non-notifiable) transactions may nevertheless be reviewed on national security grounds.

Please see the [October 2026 edition of *Cassels on Competition*](#) for discussion of the new suspensory pre-closing ICA notification obligation that is expected to come into effect in 2027.

STEP 3: ASSESS NATIONAL SECURITY RISK

An assessment of potential national security review (NSR) risk has become an increasingly important component of the ICA analysis. Under the ICA NSR regime, any level of investment (whether implemented or proposed) in a Canadian business may be prohibited on grounds that it could be injurious to Canadian national security, including economic security. Unlike the ICA's net benefit regime:

- there is no monetary threshold;
- an acquisition of control of a Canadian business is not required;
- minority investments in Canadian businesses and entities may be reviewed;
- greenfield investments may be reviewed;
- acquisitions of control are not required; and
- investments that otherwise require only post-closing notification (or are non-notifiable) may still be reviewed on national security grounds.

Common Risk Indicators

NSR risk may be heightened where a proposed transaction involves (among other factors):

- critical minerals;
- sensitive technology (including AI, life science technology, aerospace, space and satellite technology, big data technology and advanced materials and manufacturing);
- sensitive personal or proprietary data;
- critical infrastructure; or
- direct or indirect foreign state participation, ownership, influence or control, including through foreign-influenced investors from certain non-like-minded countries.

Where any of these or other risk factors are present, NSR risk should be evaluated at an early stage of the proposed transaction.

STEP 4: UNDERSTAND THE ICA PROCESS

Before closing a proposed transaction that is subject to a pre-closing net benefit review (i.e., meets the applicable financial thresholds):

- submit an application for net benefit review and observe the waiting period; and
- obtain Ministerial approval.

For transactions that may raise NSR risk, discuss with counsel the appropriate time to file the prescribed notification form.

There is no filing fee for either a pre-closing net benefit review or a post-closing notification.

REVIEW TIMELINES	
Process	Timing
Net Benefit Review	On average, 102 days from certification of the application for net benefit review as complete
Initial National Security Review Screening Period	45 to 90 days from certification of the notification or application for net benefit review as complete
National Security Review	On average, up to 200 days (or longer) from certification of the notification or application for net benefit review as complete

PART II: COMPETITION ACT

STEP 1: IS A PRE-MERGER FILING REQUIRED?

Filing/approval is required only if **both** the Transaction Size Threshold and the Party Size Threshold are exceeded.

THRESHOLD SUMMARY	
Threshold	Amount
Transaction Size Threshold	C\$93M
Transaction Size Threshold	C\$400M

TRANSACTION SIZE TESTS	
Transaction Type	Principal Trigger
i. Asset Acquisition	Canadian assets to be acquired or revenues (in, from or into Canada) from all assets to be acquired exceed C\$93M
ii. Share Acquisition	Canadian assets or revenues (in, from or into Canada) from all assets of target and entities it controls exceed C\$93M and share acquisition ownership threshold crossed (i.e., more than 20% (public company), more than 35% (private company), more than 50% (if initial threshold already exceeded))
iii. Asset and Share Acquisition	Sum of Canadian assets or revenues under (i) and (ii) exceeds C\$93M
iv. Amalgamation (e.g., triangular (Delaware) and reverse triangular (reverse Delaware) mergers)	Canadian assets or revenues (in, from or into Canada) from all assets of continuing corporation and entities it controls exceed C\$93M and at least two amalgamating corporations (including their affiliates) have more than C\$93M in Canadian assets or revenues (in, from or into Canada)
v. Formation of Unincorporated Combination (i.e., the combination of two or more persons to carry on a business otherwise than through a corporation, including by way of partnership, trust or other non-corporate entity or association)	Canadian assets or revenues (in, from or into Canada) from all assets that are the subject-matter of the combination exceed C\$93M
vi. Acquisition of Interest in an Unincorporated Combination	Canadian assets or revenues (in, from or into) from all assets that are the subject matter of the combination exceed C\$93M and purchaser (including its affiliates) is entitled to more than 35% of the profits of the combination or more than 35% of its assets on dissolution, or more than 50% of the profits or assets if the purchaser already exceeds the 35% level

STEP 2: UNDERSTAND THE *COMPETITION ACT* MERGER REVIEW PROCESS

The review of a notifiable transaction comprises both a statutory process and a substantive competition assessment:

- statutory process: the parties must comply with the Competition Act's notification and waiting period requirements;
- substantive assessment: the Competition Bureau evaluates whether the transaction is likely to result in a substantial prevention or lessening of competition in Canada.

Before closing a notifiable transaction, the parties generally must:

- submit a formal merger notification and observe the waiting period;
- obtain an Advance Ruling Certificate (ARC); or
- obtain a waiver of the notification requirement together with a No Action Letter (NAL).

COMPETITION BUREAU FILING FEE: C\$90,198.19 (effective April 1, 2026).

REVIEW TIMELINES	
Process	Timing
Statutory Waiting Period	30 Days
Supplementary Information Request (SIR)	Statutory waiting period extended an additional 30 days following compliance with the SIR
Non-complex Transaction Substantive Review	14-day (non-binding) service standard
Complex Transaction Substantive Review	45-day (non-binding) service standard

ABOUT THE TEAM

Businesses and investors rely on the [Competition & Foreign Investment Group](#) at Cassels for practical advice on competition and foreign investment matters. Our team advises on mergers, *Competition Act* compliance, regulatory investigations, litigation and *Investment Canada Act* reviews, helping clients address issues that can affect transactions, operations and growth. Whether managing day-to-day compliance issues or significant transactions, we provide clear, business-focused guidance to navigate regulatory concerns, mitigate risk, and keep transactions moving.

KEY CONTACTS

Davit Akman, Partner

416 869 5475 | dakman@cassels.com

Chris Hersh, Partner

416 640 3015 | chersh@cassels.com

Alysha Manji-Knight, Partner

416 640 3084 | amanjiknight@cassels.com

This checklist and guide are intended for general information purposes only and do not constitute legal advice. Legal advice should be obtained based on the specific facts and circumstances of each transaction.