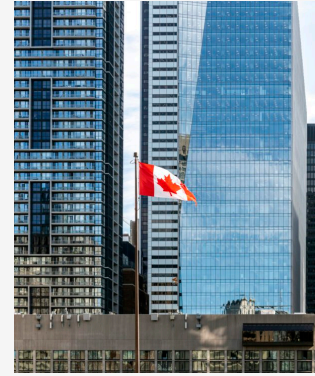


On guard for thee: update to the Canadian national security guidelines

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On March 5, 2025, Minister of Innovation, Science and Industry François-Philippe Champagne [announced](#) that the impact of a foreign investment on Canada’s economic security has been explicitly added to the [Guidelines on National Security Review of Investments](#) (Guidelines) issued under the *Investment Canada Act* (ICA). The Guidelines, which set out various factors that may be taken into account in the administration of the discretionary national security review regime under the ICA, now include the following:

The potential of the investment to undermine Canada’s economic security through the enhanced integration of the Canadian business with the economy, or any sector of it, of a foreign state....

In his announcement, Minister Champagne positioned this update to the Guidelines as directed at protecting against opportunistic or predatory investment by foreign investors in Canadian businesses, which may become vulnerable as a result of the impact of the ongoing trade dispute with the U.S. and other geopolitical developments. Similar to the statement made during the COVID-19 pandemic, this announcement signals that the Canadian government is prepared to take action against such opportunistic investment. The official statement further describes the update as necessary “to ensure that the ICA continues to be responsive to the evolving threat environment” and explicitly “recognize[s] the importance of economic security in assessments of Canada’s national security concerns.” The statement indicates that in applying this factor, the government will consider, among other things, the size of the Canadian business, its place in the innovation ecosystem and the impact on Canadian supply chains.

In addition, the Minister confirmed that effective today, the [Sensitive Technology List](#) released by the Minister of Public Safety on February 6, 2025, replaces Annex A of the sensitive technology areas of the Guidelines.

Looking forward

Economic security has been an important factor in Canada’s approach to foreign investment as reflected in various policy statements in recent years relating to specific sectors — notably, critical minerals and critical supply chains during the COVID-19 pandemic. Today’s inclusion of economic security as a more general factor to be taken into account aligns with the Canadian government’s increased attention to the potential national security implications of

foreign investment in recent years, and reflects a heightened concern about the impact of the changing geopolitical landscape on the Canadian economy. In this context, while foreign investments in Canada may be subject to a higher degree of scrutiny as to their rationale and likely impact, investments that will contribute to economic growth and innovation in Canada are likely to be welcome.

Today's announcement and update to the Guidelines do not result in any change to the scope of investments subject to mandatory filings or review. As described in [Osler's 2024 Legal Outlook](#), regulations under the ICA that will operationalize the mandatory pre-closing national security review regime implemented last year are expected to take effect in the coming months.

Osler's Competition, Trade and Foreign Investment group will continue to monitor policy and geopolitical developments and their impact on foreign and domestic businesses' approach to foreign investment in Canada.