

## Consumer Stakeholder Feedback on a Canada-European Union Digital Trade Agreement

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The Consumer Choice Center is an independent, non-partisan consumer advocacy group championing the benefits of freedom of choice, innovation, and abundance in everyday life. We champion smart policies that are fit for growth, promote lifestyle choice, and defend technological innovation.

Herein, we will offer our comments on Global Affairs Canada's [potential agreement with the European Union](#) on digital trade and digital services, a trade accord that would be complementary to the Comprehensive Economic and Trade Agreement between Canada and the European Union.

### **CETA**

It should be noted that though CETA provisionally came into force in 2017, there are 10 European member states that have not yet ratified the free trade agreement, usually due to domestic political concerns. Before Canada and the European Union can hold proactive discussions on future cooperation for digital services, the existing free trade agreement must be fully ratified and accepted so they are enforced and promote fairness on both sides of the ocean.

The European Union should commit to pressuring its own member states to own up to this large oversight that could create discriminatory trade practices that would negatively impact Canadian consumers and entrepreneurs.

The Consumer Choice Center was a passionate proponent of this expanded trade treaty [more than a decade ago](#), and we will continue to ensure consumers on both sides of the Atlantic can benefit from this mutually beneficial free trade.

We offer several standing principles that should be central to future negotiations carried out by the Canadian federal government and its agencies with regards to the European Union, as well as future areas of collaboration to ensure Canadian and

global citizens and consumers will have full access to the fruits of digital and technological innovation.

### **Free flow of data while maintaining privacy**

- Prohibit data-localization arrangements, with narrow, risk-based security exceptions
- Lock in interoperable, lawful transfer tools (e.g., SCC-style mechanisms) and commit to no blanket, extraterritorial bulk access to personal data.
- Explicitly protect strong end-to-end encryption (no backdoors) and require due process for lawful access by government entities.

### **Frictionless e-transactions and payments**

- Mutual recognition of e-signatures, e-authentication, digital IDs, trust services so Canadian entrepreneurs and entities can sign, bill, and get paid seamlessly.
- Ensure electronic contracts are valid by default, with tech-neutral standards and clear rules for cross-border consumer disclosures and refunds.

### **Protect digital innovation from undue liability**

- Preserve safe-harbor principles: no general monitoring; targeted, due-process notice-and-action for illegal content.
- Scale obligations to firm size/risk (avoid burdens that crush small businesses and startups) and prevent extra-territorial content controls that chill speech and abridge freedom of expression.
- Promote cooperation over duplication: regulatory dialogue to align platform transparency/reporting and avoid conflicting compliance demands.

### **Respect and protect IP while enabling competition in tech and AI**

- Prohibit forced source-code/algorithm disclosure and decryption, except in narrowly tailored, court-supervised cases.
- Commit to technology-neutral standards and interoperability; enable data portability and switching that expand consumer choice without mandating proprietary design changes.
- Support pro-innovation AI rules: risk-based, open to open-source models, with clear text-and-data-mining permissions for Canadian firms to train and deploy globally.
- Respect intellectual property rights and allow standing and appropriate judicial review for meritorious disputes.

## Free trade in digital services

- Ban customs duties on electronic transmissions; discourage discriminatory digital services taxes or measures that target foreign providers.
- Prohibit forced local presence for purely digital services while allowing firms to set their own standards for payments to enable choice.
- Create regulatory cooperation tracks (competition, cybersecurity, standards) and one-stop contact points to resolve barriers quickly, with transparent notice of new digital measures.

## Transatlantic digital cooperation

- Canada should collaborate with the European Union for a “Free Nation” corridor for simple technology, capital, and product exchange that removes barriers and enshrines innovation in the digital services sector.

## Online Misinformation

- The Canadian Charter of Rights and Freedoms establishes strong protections for freedom of speech and expression. The European Union recently enacted a Code of Conduct on Disinformation, which includes a compliance tool that could trigger investigations or fines. This kind of regulation would represent an obvious threat to Canadians’ freedom of speech and expression rights.
- Ensure that European regulation of free speech, such as the Code of Conduct on Disinformation, is not applicable to Canadians through any bilateral Canada-EU agreement.

## Entrepreneurial Feedback Sessions

- To better understand the circumstances of Canadian entrepreneurs and businesses providing services to the EU and beyond, Global Affairs Canada should convene a summit made up of feedback sessions with industry innovators to hear direct feedback about frustrations, potential discrimination, or regulatory hardships faced by those exporting digital services to European member states.
- Crafting trade priorities by measured Canadian principles will be vital, but as will the real-life experience of builders and founders who are on the front lines of these concerns.
- By organizing such a summit or forum, Canadian trade representatives will be in a better position to negotiate more mutually beneficial digital trade relations that will also elicit positive impacts for Canadian consumers.

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