

Situating Bill C-233 within Canada's Arms Control Framework

Context, implications, and points of clarification

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Bill C-233, "An Act to Amend the Export and Import Permits Act," is a Private Member's Bill introduced into Parliament on September 19, 2025. The Bill proposes changes to Canada's arms export controls, specifically regarding transfers to the US. Nearly all Canadian military exports to the US currently proceed without an export permit and therefore without case-by-case review by Canadian officials. This exemption is long-standing and unique among Canada's export relationships and poses a significant transparency and oversight gap, particularly with respect to Canada's obligations under the United Nations Arms Trade Treaty.

Recent developments, including the war in Gaza and large-scale US arms transfers globally, have increased attention on how Canadian-made military goods travel through multi-country defence supply chains. These discussions raise broader questions about oversight, transparency, and how best to assess risk in a changing security landscape.

For example, in January 2024, Canada <u>suspended</u> approval of new export permits for arms transfers to Israel due to the substantial risk that such arms could be used in violations of international humanitarian law in Gaza. However, no such pause applied to Canadian arms transferred first to the US, including those that would later be supplied to the Israeli government. Such exports include components integrated into the <u>F-35 Joint Strike Fighter</u>, which Israel has used to conduct airstrikes across the Gaza Strip since late 2023.

Bill C-233 represents one approach that could address this oversight gap. The following ten clarifications are intended to help situate Bill C-233 within Canada's legal commitments, export control practices, and allied relationships.

1) Bill C-233 is based on a false premise. Canada has one of the world's strongest military export control systems, with considerations for human rights at its core.

Canada maintains a mature military export control system — but only in part. Unlike exports to all other countries, Canada's control system covers only a small fraction of the weapons systems it transfers to the US. And as the US is <u>by far</u> the largest importer of Canadian military goods, this means that most of Canada's total arms exports occur outside its oversight and authorization process, without case-by-case permit approvals or an assessment of potential human rights implications.

Therefore, any claim that Canada maintains one of the world's strongest arms export control regimes is demonstrably false, as the bulk of Canadian military exports simply escape oversight.

Canada's failure to regulate all of its military exports on a case-by-case basis is also inconsistent with its binding obligations under international law. The Arms Trade Treaty, as per <u>Article 5</u> ("General Implementation"), requires States Parties to regulate all arms transfers captured under the Treaty "in a consistent, objective and non-discriminatory manner" and to assess every transfer according to the criteria set out in <u>Article 6</u> ("Prohibitions") and <u>Article 7</u> ("Export and Export Assessment") — obligations wholly unmet without the passing of Bill C-233.

2) The passing of Bill C-233 would put us out of step with our allies and has the potential to weaken our role in NATO.

The opposite is true. Of the 32-member NATO alliance, 30 members are <u>States Parties</u> to the ATT, with the remaining two (Türkiye and the US) both being signatories.

Bill C-233 would instead bring Canada into closer alignment with the majority of its allies by synchronizing Canada's export controls with those of European and NATO partners, the vast majority of which are ATT States Parties.

3) While Canada does place permitting exemptions on US-destined military goods, we apply these exemptions more narrowly than all other ATT States Parties.

Certain ATT States Parties do have relaxed export control criteria under certain circumstances. For example, the UK, an ATT State Party, does <u>employ</u> Open General Export Licences in some cases; however, those licences still require oversight by British officials against national licensing criteria, and such licence authorizations are reported publicly.

In other cases, such as through major joint military production programs, other ATT States Parties similarly employ relaxed authorization <u>criteria</u> for transfers between allies.

These are problematic deviations from the case-by-case risk assessment required under the ATT; however, they pale in comparison to the central loophole embedded in Canada's control regime. Under Canada's current controls, no permits are required for the vast majority of arms exports to the US, which also constitute the vast majority of Canadian arms exports overall. Consequently, those exports are not assessed under Article 6 or Article 7 of the ATT, two operative articles of the Treaty.

4) Canada controls a wider range of technology than the ATT requires. Not only do we place controls on conventional arms, we also control dual-use goods, nuclear, chemical, biological and missile technologies.

This is misleading. Dual-use (<u>Group 1</u>); nuclear (<u>Group 3</u> and <u>4</u>); missile technologies (<u>Group 6</u>); and biological and chemical weapons (<u>Group 7</u>) categories are all controlled under different groups of Canada's export control list and have no relationship to Canada's compliance with, or risk assessment approach under, the ATT. As none of these categories of controlled goods fall within the scope of the ATT, they are irrelevant to discussions regarding Bill C-233.

5) Canada's arms control regime is one of the most transparent in the world. Canada has tabled annual reports to Parliament on the export of ATT items every May since the 1990s, long before the ATT's ratification.

Like many of Canada's allies, Canada publishes an annual report on military exports in a national capacity. However, the majority of Canadian arms transferred abroad in any given year — those destined for the US — are not included in its national report, as they fall outside the export permitting process and therefore leave no official record to be reported.

As such, Canada's annual report on military exports, while strong in some elements, is an otherwise <u>weak barometer</u> of transparency, as most of Canada's annual arms transfers are not captured in the publication.

6) Bill C-233 would harm the ability of the Canadian Armed Forces (CAF) to procure equipment and therefore serves as a national security risk.

There is no evidence that fulfilling Canada's ATT obligations would undermine the CAF's ability to procure equipment, most clearly because Bill C-233 is export-focused rather than import-focused.

Moreover, the 2025 federal budget, Canada Strong, places a clear <u>emphasis</u> on building the defence industrial base and strengthening ties with the European defence industry, particularly under the Readiness 2030 initiative, of which Canada is the only non-European partner. These efforts have been established to diversify supply chains and bolster participation in international defence collaboration.

The federal budget has also armarked <u>billions of dollars</u> for Canadian arms manufacturers, further aiming to reduce Canada's reliance on the US and strengthen the CAF's ability to procure equipment domestically. Positioning Bill C-233 as introducing roadblocks to Canadian procurement is, therefore, not only misleading but also runs counter to the current government's stated emphasis on diversifying Canada's defence supply chains away from the US.

7) Bill C-233 would hamper Canada's ability to provide military aid to allies, in particular Ukraine.

There is no evidence that Bill C-233 would hamper the provision of military aid to Ukraine.

The vast majority of Canada's military aid to Ukraine is first sent to European allies before being provided to the Ukrainian government. In contrast, Bill C-233 seeks only to standardize the regulatory process for arms exports to the US.

Furthermore, transfers of Canadian military aid — including that to Ukraine — are authorized and exported by the Department of National Defence which already employs a parallel, streamlined transfer process different from that required of traditional arms exports to foreign states. This means that even if some military aid to Ukraine were first transferred through the US, those exports would not be subject to the provisions of Bill C-233.

8) The permit-free nature of Canada's arms exports to the US is based on the US being a NATO ally with a very similar approach to controlling arms exports.

The US does not employ an export controls framework similar to Canada's, which is a central issue addressed by Bill C-233.

Canada is a State Party to, and therefore subject to the obligations of, the ATT, while the US is not. Furthermore, the US takes a much more permissive approach than Canada in authorizing arms exports that may be linked to serious violations of international law. In some cases — as illustrated by the US supply of critical military goods to Israel throughout the war in Gaza — the US provides weapons to end-users that the Canadian government would otherwise restrict due to the human rights risks involved.

Requiring export permits for arms destined for the US would reduce the risk that Canadian military goods could reach problematic end-users via the US, including those exports that would be barred outright if transferred directly from Canada.

9) The ATT allows flexibility in how states structure their control systems, recognizing trusted partnerships like Canada-US.

This is patently false. While ATT States Parties have some flexibility in determining the structure of their national control systems (for example, regarding certain aspects of national control lists), the Treaty does not allow exports to entire recipient states to be exempted from oversight, whether or not that recipient is deemed a trusted partner.

CONCLUSION

The above points outline the policy environment surrounding Bill C-233 and clarifies common points of discussion related to Canada's export controls and treaty commitments. The issues raised intersect with transparency, international law, and Canada's defence-industrial relationships. As Parliament examines the legislation, these considerations form an important part of evaluating potential implications for compliance, accountability, and long-term policy alignment.



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