Canada’s new trade landscape: Legal and compliance imperatives in Federal Budget 2025

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Canada’s minority Liberal Government presented Federal Budget 2025 – some eight months later than usual – on November 4. Having survived a Confidence vote, on November 18, the Government tabled Bill C-15, its first omnibus Budget implementation bill. We will have more to say on the bill as it moves through the House. For now, we offer brief comments on key elements of the Budget Plan.

This is not a transition. It is a rupture—a generational shift taking place over a short period of time.

This is a pivotal moment for the country. As our access to Canada’s largest and closest trading partner is undergoing transformation, we are witnessing a significant global trade realignment; as international supply chains enter a period of uncertainty last seen during the COVID-19 pandemic, energy transition promises (or threatens) to reshape the economic and industrial landscape across multiple sectors in Canada – and beyond.

This insight explores the legal implications of Federal Budget 2025 for Canadian businesses, investors, and Indigenous partners across mining, banking, transportation, agriculture, defence, and more. We highlight core legal and compliance themes and focus on their direct impact on trade and market access.

Key takeaways

1. **Regulatory streamlining to accelerate major projects:** The Government promises a “one project, one review” model, with the new federal Major Projects Office (MPO) mandated to streamline approvals for major projects, reduce delays, and provide greater certainty for investors. It is expected that regulatory reform will support faster development of export infrastructure and domestic production, advancing Canada’s trade diversification objectives.
2. **Evolving legal and regulatory framework**: The Government has signalled new frameworks for Indigenous partnerships, Environmental, Social, and Governance (ESG), consumer protection, and project approvals across industries. It is expected that the reforms will not only enhance implementation but improve compliance efficiency for businesses and investors in all major sectors.

3. **Buy Canadian policy strengthens domestic supply chains:** Federal procurement will prioritize Canadian suppliers, with regulatory amendments shielding Buy Canadian decisions from trade tribunal review. This ensures that public investment benefits Canadian businesses and workers, reinforcing local supply chains and economic resilience.
4. **Sector-specific compliance shapes trade opportunities**: Mining, banking, transportation, agriculture, defence, and other sectors each face tailored compliance requirements linked to export growth and supply chain resilience. Legal teams must ensure alignment with sector-specific standards to access funding and market opportunities.
5. **Financial crime and consumer protection drive compliance:** New rules for anti-fraud, digital assets, and open banking increase compliance obligations for financial institutions, supporting secure trade finance and cross-border transactions.
6. **Proactive legal strategy is critical:** Early engagement with regulators, Indigenous partners, and sector agencies, along with continuous monitoring of legislative and policy changes, is essential for navigating the new regulatory landscape and maximizing opportunities in export and import markets.
7. **Changes to greenwashing laws:** In light of concerns that the *Competition Act*'s rules on false or misleading environmental benefits claims (greenwashing) are creating investment uncertainty and discouraging environmental initiatives, the federal government is proposing significant amendments to these provisions.

Regulatory streamlining and project acceleration

One of the main features of Budget 2025 is the "one project, one review" model, now applied to major projects in mining, transportation, and infrastructure. This harmonized federal-provincial process is intended to reduce regulatory delays and attract investment, making Canada a more competitive destination for export-oriented industries. Legal teams must prepare for new cooperation agreements, early assessment decisions, and the possibility of full substitution to provincial processes, provided federal standards are met.

The launch of the Major Projects Office (MPO) introduces a single-window approach for regulatory approvals, accelerating timelines for nation-building projects. For trade, this means faster development of export infrastructure, such as mines, ports, and transportation corridors, enabling Canadian goods to reach global markets more efficiently. The MPO's streamlined approvals also support import substitution by facilitating domestic production of critical minerals and manufactured goods, reducing reliance on foreign supply chains.

The Buy Canadian Policy, announced in Budget 2025, makes it a legal requirement for federal agencies and Crown corporations to prioritize Canadian suppliers in procurement. Exceptions—where domestic suppliers are unavailable—must include Canadian content or trusted partners and require ministerial approval. To implement the Buy Canadian Policy, the government will introduce regulatory amendments that specifically prevent Buy Canadian procurement decisions from being reviewed by the Canadian International Trade Tribunal. This change insulates federal purchasing choices from external legal challenges, ensuring that the prioritization of Canadian suppliers and content remains a protected and enforceable government obligation.

Legal compliance will require businesses to adapt permitting strategies, engage early with regulators, and ensure alignment with new standards. The harmonization of reviews is expected to provide greater certainty for investors and project proponents, directly supporting Canada's export ambitions and efforts to substitute imports with domestic production.

ESG compliance and climate competitiveness: Gateway to trade benefits

ESG compliance will have a major role in regulatory approval and access to fiscal incentives. Projects seeking accelerated approvals, public financing, or participation in export programs must demonstrate robust greenhouse gas (GHG) management, reporting, and alignment with Canada's Climate Competitiveness Strategy.

Tax credits and incentives, such as accelerated capital cost allowances and the Clean Technology Manufacturing Investment Tax Credit, will be tied to emissions performance, ESG benchmarks, and the development of clean technologies. Legal compliance in this area is not optional; it is a gateway to preferential access to export programs, critical minerals alliances, and trade diversification corridors.

For import substitution, ESG compliance will support the development of domestic industries that meet international standards, enabling Canadian products to replace imports in both domestic and foreign markets. Non-compliance may result in exclusion from federal support, procurement opportunities, and trade initiatives.

Legal teams must monitor evolving ESG frameworks, adapt compliance strategies, and ensure that project delivery aligns with climate and sustainability goals. This is essential for securing regulatory approvals, accessing export markets, and benefiting from government incentives.

Indigenous rights and partnerships: Regulatory expectations

Budget 2025 highlights Indigenous consultation and equity participation across all major sectors.

In addition to Constitutional requirements under Section 35 of the *Constitution Act, 1982*, the Government references the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which Canada ratified in 2021. *Meaningful* engagement with Indigenous communities will likely be a potential prerequisite for project approvals, especially for those seeking expedited access to export markets or public funding.

An expanded Indigenous Loan Guarantee Program and the MPO's Indigenous Advisory Council will shape project structures, risk allocation, and governance arrangements. For trade, this regulatory shift ensures that Indigenous partners are integral to the development of export infrastructure, resource projects, and supply chains. Early and substantive engagement with Indigenous communities is not only a legal obligation but also a strategic necessity for accessing expedited approvals and government support.

Legal teams must prioritize Indigenous consultation strategies, equity arrangements, and governance frameworks to comply with these new expectations. Failure to meet these standards may result in project delays, exclusion from federal procurement, and missed opportunities in export expansion and import substitution initiatives.

Financial crime, consumer protection, and digital transformation

Budget 2025 introduces important legal reforms in banking, financial services, and digital infrastructure, with implications for trade and market access. The creation of a Financial Crimes Agency, new anti-fraud strategies, and enhanced consumer protection rules will likely increase compliance obligations for financial institutions and service providers.

For export-oriented businesses, robust anti-fraud policies, transparency, and reporting are now mandatory. The regulation of digital assets, open banking, and stablecoins brings new compliance requirements, ensuring that financial transactions supporting trade are secure and transparent.

The modernization of digital trade tools, export certification, and payment systems further supports Canada's export expansion by streamlining cross-border transactions and reducing barriers to market entry. Legal teams must strengthen anti-fraud measures, adapt to new digital compliance standards, and ensure that consumer protection policies meet regulatory requirements.

These reforms also support import substitution by enabling Canadian financial institutions and service providers to compete with international counterparts, fostering innovation and resilience in domestic markets.

Sector-specific compliance: Trade and market access

Mining industry

Budget 2025's compliance reforms are most visible in mining, where the MPO is expected to fast-track approvals for projects such as the McIlvenna Bay Foran Copper Mine in Saskatchewan and the Red Chris Mine expansion in British Columbia. These projects exemplify the new regulatory model: harmonized federal-provincial reviews, Indigenous consultation, and strict ESG standards.

Legal teams must ensure that project documentation demonstrates compliance with both Section 35 and UNDRIP, as well as climate benchmarks, to access the Critical Minerals Sovereign Fund and export programs. The expansion of tax incentives such as Critical Mineral Exploration Tax Credit for exploration and processing, further motivates domestic production, supporting both export growth and import substitution by reducing reliance on foreign minerals.

Transportation and infrastructure

The Government's new industrial strategy includes "generational investments" in trade and transport infrastructure, with a focus on connecting Canadian businesses to global markets and supporting the transition to a low-carbon economy.

The Trade Diversification Corridors Fund and Arctic Infrastructure Fund are central to Canada's strategy for export expansion. Projects like the Contrecœur Terminal Container Project at the Port of Montréal, which will increase container capacity by 60 per cent, are subject to streamlined permitting under the MPO and require compliance with environmental and Indigenous engagement standards.

The regulatory framework also covers digital infrastructure and preclearance regimes, which are essential for efficient cross-border trade. Legal compliance is necessary to secure funding, accelerate approvals, and ensure that transportation projects contribute to Canada's export competitiveness and supply chain resilience.

Banking and financial services

The federal government intends that the financial sector be a key driver of innovation and consumer empowerment. The introduction of open banking, stablecoin regulation, and anti-fraud strategies creates new compliance requirements for financial institutions.

For example, Budget 2025 launches the first phase of Canada's open banking regime. The proposed *Consumer-Driven Banking Act* will establish a legal framework for consumer-directed data sharing, including "write access" that allows consumers to initiate transactions through third-party providers. The Government also plans to introduce a new data mobility right through amendments to the *Personal Information Protection and Electronic Documents Act*, further empowering consumers to control their financial information.

In addition, the budget introduces legislation to regulate fiat-backed stablecoins. The Bank of Canada will be responsible for overseeing this new framework, which will require issuers to maintain adequate asset reserves, establish clear redemption policies, and implement robust risk management practices. These changes will bring digital assets under formal regulatory oversight and create new compliance obligations for financial institutions.

Budget 2025 proposes to repeal outdated technical limits on borrowing and portfolio investments for financial institutions. These will be replaced with more flexible guidance from the Office of the Superintendent of Financial Institutions (OSFI), allowing insurers and financial institutions to respond more dynamically to market conditions. Many of these changes were previously surveyed as part of a 2024 public consultation.

Defence, security, and aerospace

Budget 2025 positions defence and security as national priorities, recognizing the need for modern capabilities, resilient supply chains, and a robust domestic industrial base.

The Defence Industrial Strategy and the launch of the Defence Investment Agency (DIA) introduce new compliance obligations for procurement, domestic content, and early industry engagement. The DIA is tasked with streamlining approvals and ensuring

that procurement processes are responsive to the needs of the CAF and the broader defence sector.

Projects in shipbuilding, aerospace, and advanced manufacturing must align with Canadian content requirements and demonstrate robust governance and risk management. Legal compliance is essential for accessing funding, participating in export-oriented defence initiatives, and supporting the development of a resilient domestic industrial base that can substitute imports and meet allied export requirements.

Agriculture, agri-food, and fisheries

Budget 2025 reflects a recognition of the critical role of agriculture, agri-food, and fisheries in Canada's economy, food security, and rural vitality. The government's new approach is anchored in direct supports and trade resilience.

Compliance in agriculture is anchored in modernized food safety and export systems. The Canadian Food Inspection Agency's digital trade tools and AI integration require adherence to new regulatory standards for traceability and certification.

Projects benefiting from AgriMarketing and biofuels incentives must demonstrate compliance with updated Clean Fuel Regulations and market access requirements. Legal teams must ensure that producers and exporters meet these standards to participate in export programs and benefit from government support, directly impacting Canada's ability to diversify markets and substitute imports with domestic products.

Telecommunications

Budget 2025 positions telecommunications as a strategic sector for both export expansion and import substitution, with regulatory reforms aimed at increasing competition, accelerating infrastructure deployment, and modernizing digital trade processes.

The Government's "dig once" policy and streamlined regulatory approvals for fibre and wireless infrastructure are designed to reduce duplication and speed up broadband rollout, which is critical for connecting Canadian businesses to global markets.

Amendments to the *Telecommunications Act* and new Canadian Radio-television and Telecommunications Commission mandates are directed at lowering barriers for switching providers and accessing wholesale rates, making Canadian digital services more competitive internationally.

Compliance requirements will include participation in anti-fraud strategies, consumer protection measures, and adherence to updated spectrum management rules. These changes support the digitalization of export certification and payment systems, enabling Canadian firms to compete more effectively in global digital trade and reducing reliance on foreign telecom infrastructure.

Pharmaceutical industry

The global pharmaceutical industry depends on a complex and fragile web of supply chains, navigating through widely varying country-to-country regulations to bring active pharmaceutical ingredients from different jurisdictions into their production process.

The pharmaceutical industry in Canada is no different with respect to its reliance on international trade. Canada's pharmaceutical imports were valued at $26.2 billion in 2022. The value of Canada's pharmaceutical exports in 2024 was $14.48 billion. Increased transportation capacity and efficiency at Canada's borders, brought on by greater investment through the 2025 Budget, should make the import and export of pharmaceutical products faster, easier, and ultimately more cost effective.

On the research and innovation front, Budget 2025 earmarks substantial funding for the Canada Foundation for Innovation, the Natural Sciences and Engineering Research Council, and the Canadian Institutes of Health Research. These investments prioritize research infrastructure and international talent recruitment, creating new opportunities for pharmaceutical companies to partner with academia and leverage federally funded research initiatives.

Compliance teams must monitor evolving frameworks for intellectual property, data sharing, and clinical research, as well as ensure alignment with new standards for research integrity and transparency. Legal and compliance teams in the pharmaceutical sector should proactively engage with universities and research councils to align private-sector R&D with federally funded initiatives and prepare for future changes in import-export regulations as infrastructure projects progress.

Changes to greenwashing laws

The federal government proposes significant changes to Canada's greenwashing provisions under the *Competition Act*. The federal government recognizes that the greenwashing provisions are creating investment uncertainty and causing some parties to slow or reverse efforts to protect the environment. Aiming to provide greater clarity and certainty for businesses, the proposed measures would:

- Remove the requirement to use internationally recognized methodologies when substantiating environmental benefit claims about a business or business activity; and
- Eliminate private access to the Competition Tribunal for greenwashing complaints.

These changes follow recent amendments to the *Competition Act* that expanded the Commissioner of Competition's ability to take enforcement action against misleading environmental claims. Under the current framework, companies must ensure that:

- Environmental benefit claims about a product are supported by adequate and proper testing; and
- Claims about a business or business activity are based on adequate and proper substantiation.

The amendments also introduced a private right of action before the Competition Tribunal, allowing private parties to bring greenwashing-related claims directly, increasing potential exposure for businesses.

While the regulatory landscape for environmental benefit claims continues to evolve, companies should remain vigilant. Environmental benefits claims should be truthful, specific, and well-substantiated to comply with current legal requirements and prepare for any changes under the proposed Budget 2025.

Preparing for the new regulatory landscape

Canada's 2025 Federal Budget proposes to reshape the legal and compliance environment for businesses engaged in export expansion and import substitution. Regulatory streamlining, Indigenous partnerships, ESG compliance, and financial crime prevention are now prerequisites for market access, government support, and participation in trade initiatives.

Legal teams must proactively review project pipelines, engage with regulators and Indigenous partners, adapt compliance strategies, and monitor legislative developments. Success in the new landscape will depend on early engagement, robust compliance frameworks, and alignment with Canada's trade and sustainability goals.

For tailored guidance on navigating these changes and maximizing opportunities in export and import markets, businesses should consult multidisciplinary legal experts familiar with the evolving regulatory environment.

BLG is there to help

For more information on how Budget 2025 may affect your projects or investments in mining, banking and financial services, transportation, agriculture, defence, or other sectors, or to discuss strategies for Indigenous partnerships, permitting, regulatory compliance, and legal risk management, please contact us. Our multidisciplinary team can help you navigate the new regulatory landscape, maximize opportunities, and ensure compliance across all major industries.

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