

Information Bulletin: Canadian Transportation Agency issues decision on whether CHC Helicopters Canada would be a Canadian-owned and controlled company

The Canadian Transportation Agency (Agency) recently issued a [decision](#) determining that CHC Helicopters Canada Inc. (CHC Canada) would, if their proposed transaction were to be completed as filed, be Canadian, as defined in subsection 55(1) of the *Canada Transportation Act*.

CHC Canada applied to the Agency for a licence to operate a domestic helicopter service – CHC proposes to purchase the Canadian helicopter operations of CHC Global Operations, a non-Canadian air carrier authorized to operate restricted domestic flights pursuant to a Ministerial exemption.

Before administering the licensing process in these cases, the Agency is required to determine if the company in question is Canadian, as stipulated under the Act. In order for a corporation or other entity to be Canadian, (i) it must be incorporated or formed under the laws of Canada or a province, (ii) at least seventy-five per cent of its voting interests must be owned and controlled by Canadians, and (iii) it must be controlled in fact by Canadians.

The requirement to be controlled in fact by Canadians is a question of fact and, as such, can only be evaluated on a case by case basis. Each case is unique and therefore all managerial, financial and operational air carrier relationships or proposed relationships need to be considered in arriving at a determination.

The Agency's decision on the CHC Canada application describes some of the factors the Agency commonly considers in evaluating where control in fact lies and, as such, may be useful to certain interested parties. To view the full text of the decision, visit the Agency's website at www.cta.gc.ca.