

**Caution:**

*This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.*

**CONSULTATION DRAFT**

**ONTARIO REGULATION**

to be made under the

**SPECIAL ECONOMIC ZONES ACT, 2025**

**CRITERIA FOR DESIGNATIONS**

**Special economic zones**

**1.** The following are prescribed, for the purposes of subsection 2 (1) of the Act, as criteria that must be met for an area to be designated as a special economic zone:

1. The area is a single area of the province.
2. Activities are taking place in the area or are being proposed that, in the opinion of the Lieutenant Governor in Council, are or will be economically significant or strategically important to the Ontario economy.
3. The area is, in the opinion of the Lieutenant Governor in Council, no larger than necessary to encompass the activities described in paragraph 2.

**Trusted proponents**

**2.** The following are prescribed, for the purposes of subsection 3 (1) of the Act, as criteria that must be met for a person to be designated as a trusted proponent:

1. The person is,
  - i. the Crown in right of Ontario, a Crown agency within the meaning of the *Crown Liability and Proceedings Act, 2019* or a municipality, or
  - ii. a for-profit or not-for-profit entity.
2. The person is a proponent of a designated project or of a project that the Minister is designating under section 4 of the Act.

3. For a person who is not an entity described in subparagraph 1 i,
  - i. in the opinion of the Minister, the person has a good record of complying with legal requirements, including requirements relating to health and safety protections, environmental protections, employment standards and financial matters,
  - ii. in the opinion of the Minister, everyone with whom the person has contracted with to work on the project has a good record of complying with legal requirements, including requirements relating to health and safety protections, environmental protections, employment standards and financial matters and the person has given reassurances, satisfactory to the Minister, that anyone with whom the person contracts with in the future to work on the project will also have a good record of complying with legal requirements, including requirements relating to health and safety protections, environmental protections, employment standards and financial matters,
  - iii. if the person will need to engage with Indigenous communities to carry out the project,
    - A. the Minister is of the opinion that the person has a plan for engaging and working with Indigenous communities, and
    - B. the Minister is satisfied that the individuals working on the project will include individuals with a history of working successfully with Indigenous communities on projects in Canada, and
  - iv. the person has given reassurances, satisfactory to the Minister, that,
    - A. if the person is a corporation with share capital, there will be no change in the control of the person without the consent of the Minister, or
    - B. if the person is not a corporation with share capital, there will be no change in the ownership or membership of the person without the consent of the Minister.

### **Designated projects**

3. The following are prescribed, for the purposes of subsection 4 (1) of the Act, as criteria that must be met for a project to be designated as a designated project:

1. The project is, or will be, in a special economic zone.

2. The Minister is of the opinion that the project will have significant long-term economic benefits for Ontario after considering the following:
  - i. The extent to which the project will have positive impacts on the security of the Province, job creation, the development of a skilled workforce, the size and diversification of the economy, tax revenue, critical supply chains or the development and adoption of technology and innovation.
  - ii. The extent to which the project will use goods made in Ontario or services provided by Ontario residents or businesses.
  - iii. Such other factors as the Minister considers appropriate.
3. The Minister is of the opinion that the project will benefit communities in Ontario after considering the following:
  - i. The extent to which the project will provide benefits to communities within the special economic zone and outside the zone.
  - ii. The extent to which the project will increase the revenues of, or otherwise strengthen, businesses in those communities.
  - iii. Whether the project will provide benefits to Indigenous communities and, if it will, the extent to which it will.
  - iv. Such other factors as the Minister considers appropriate.
4. The Minister is of the opinion that the project will likely succeed after considering the following:
  - i. How quickly the project will be able to proceed once any necessary consultations are concluded and any necessary approvals are obtained.
  - ii. Whether there are plans for dealing with strategic matters, financial aspects and communications.
  - iii. Whether there are plans for engaging with stakeholders and Indigenous communities that may be affected by the project.
  - iv. Whether work has been done to identify potential impacts on health and the environment and whether risk mitigation strategies have been identified to deal with such impacts.
  - v. Such other factors as the Minister considers appropriate.

5. In the opinion of the Minister, the exemptions and modifications that will be possible under sections 5 and 6 of the Act, if the project is designated as a designated project, will make it possible to complete the project more quickly and will increase the likelihood of the project being successful.

## **Commencement**

### **4. [Commencement]**