

# Canada's Digital Diplomacy: Navigating AI, Trade, and Cross-Border Relations

Digital Diplomacy · Answer Key · 10 Questions

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**1. Canada recently launched negotiations for a Digital Trade Agreement (DTA) with which major economic bloc, building upon the existing Comprehensive Economic and Trade Agreement (CETA)?**

- A) The European Union**
- B) The United States
- C) The United Kingdom
- D) Japan

**2. Canada has signed the Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law. This convention aims to establish a shared legal framework for AI governance and promote international cooperation. Which other key players in AI development are also early signatories or have signed on around the same time?**

- A) The European Union, Israel, the United Kingdom, and the United States**
- B) China, Russia, India, and Brazil
- C) Australia, South Korea, Singapore, and New Zealand
- D) South Africa, Nigeria, Egypt, and Kenya

**3. Canada has been actively working with international partners to align approaches in Artificial Intelligence (AI) regulation. Which of the following is NOT explicitly mentioned as a partner for aligning AI approaches in recent Canadian policy discussions?**

- A) The European Union, the United Kingdom, and the United States
- B) Japan, South Korea, and Australia**
- C) The Organisation for Economic Co-operation and Development (OECD)
- D) The United States National Institute of Standards and Technology (NIST)

**4. Canada's Digital Services Tax (DST) was a point of contention in trade relations, particularly with the United States. It was enacted to address situations where large technology companies operating in Canada might not otherwise pay tax on revenues generated from Canadian users. What action did Canada announce in June 2025 regarding this DST to advance trade negotiations with the United States?**

- A) Canada announced it would rescind the Digital Services Tax.**
- B) Canada announced an increase in the Digital Services Tax rate.
- C) Canada announced plans to renegotiate the terms of the Digital Services Tax.
- D) Canada announced the extension of the Digital Services Tax to more companies.

**5. Canada's data privacy framework is characterized by a complex system of laws. Which province is highlighted for having particularly stringent data privacy requirements, including data privacy impact assessments and significant penalties for non-compliance?**

- A) Quebec**
- B) Ontario
- C) British Columbia
- D) Alberta

**6. The United States-Mexico-Canada Agreement (USMCA) replaced NAFTA. Which of the following is a key digital trade provision included in the USMCA?**

- A) Prohibition of customs duties on digitally transmitted products and provisions to prevent forced local data storage.**
- B) Mandatory data localization requirements for all digital services operating within member states.
- C) Implementation of a unified digital currency for all cross-border e-commerce transactions.
- D) Restrictions on cross-border data flows to protect domestic industries.

**7. Canada is deepening its relationship with European countries in digital trade and AI regulation. In December 2025, Canada signed memorandums of understanding with which European partners, focusing on digital issues including artificial intelligence?**

- A) The European Union, Germany, and the United Kingdom**
- B) France, Italy, and Spain
- C) Nordic countries (Sweden, Denmark, Norway)
- D) Central European countries (Poland, Czech Republic, Hungary)

**8. Canada has historically maintained strong cybersecurity cooperation with the United States, as both countries are part of the Five Eyes intelligence alliance. What is a primary benefit of this alliance in the context of cybersecurity?**

- A) Facilitates the sharing of intelligence and best practices to enhance threat detection and response.**
- B) Mandates unified cybersecurity defense protocols for all member nations.
- C) Provides a direct communication channel for cyberattack attribution to nation-states.
- D) Governs the international trade of cybersecurity software and hardware.

**9. The Online News Act, enacted by Canada in June 2023, requires tech companies to negotiate with Canadian media companies for news content appearing on their platforms. What was a notable response from Meta (Facebook and Instagram) to this legislation?**

**A) Meta blocked news content on its platforms in Canada.**

- B) Meta agreed to a revenue-sharing model with Canadian news outlets.
- C) Meta increased the visibility of Canadian news content on its platforms.
- D) Meta launched a new Canadian news aggregator service.

**10. Canada's relationship with China has seen periods of strain. In recent history, what incident involving Canadian citizens in China has significantly strained diplomatic relations, despite Canada's appeals for clemency?**

**A) The execution of four Canadian citizens on drug-related charges.**

- B) The detention of Canadian diplomats on espionage charges.
- C) The forced return of Huawei CFO Meng Wanzhou.
- D) The alleged theft of sensitive government data by Chinese hackers.