SQUIRE PATTON BOGGS

EU invites Canada to become its first "associate member"

Legal routes, open questions and implications for business

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On 16 September 2026, European Commission President Ursula von der Leyen invited Canada to work towards becoming the EU's first "associate member". Up until now, EU law has not contemplated such a status, nor has either side yet defined what it would mean.

As a matter of fact, the concept is absent from the EU's treaties. Canada has welcomed a closer alliance, while stressing that it is not seeking EU membership. The US has warned that it could impose tariffs on the EU if it views the initiative as hostile, while EU Parliament President Roberta Metsola has suggested that Australia and New Zealand might eventually pursue similar arrangements.[1]

Background

The initiative comes after US-Canada trade talks broke down in late August. Canada has accused Washington DC of seeking concessions on French-language protections. The US then imposed tariffs of up to 50% on Canadian cars and trucks, and later extended measures to certain steel products. Canada responded with tariffs on a range of US imports.

Reports from the 12 and 13 September said that Prime Minister Mark Carney was exploring a new form of association with the EU and that European officials were open to the idea. Discussions reportedly covered freer movement of goods, services and workers in strategic supply chains, as well as joint undersea cables, data centres and satellite networks. They also included the possibility of visa-free residence and work for Canadians in the EU. Carney has nevertheless described Canada's objective as a "unique alliance", not EU membership. Canadian officials have likewise said that Ottawa did not propose the "associate member" label and expects the Montreal summit to clarify the relationship.

With Prime Minister Carney present in the chamber, President Von der Leyen formalised the invitation in her state of the union address. She called for the parties to move beyond the Comprehensive Economic and Trade Agreement (CETA) and build an "alliance for the future" centred on prosperity and economic security. Canada welcomed the proposal to deepen the relationship, but again stopped short of adopting the associate member label. Jonathan Wilkinson, Canada's incoming ambassador to the EU, has similarly said that the parties have not yet settled on a name for the relationship.[2]

Scope of the proposed relationship

President Von der Leyen identified manufacturing, technology, defence production, Arctic cooperation, energy, critical minerals and batteries, artificial intelligence (AI), quantum technology, cybersecurity and economic security as possible areas for closer cooperation. Canada is also in early talks to join Erasmus+, and to secure mutual recognition of professional qualifications. It would be the first non-European country to join Erasmus+.

The proposal would build on an already substantial relationship. CETA has applied provisionally since 2017, although 10 EU member states, including France, Italy and Poland, have not ratified it. Canada already participates in Pillar II of Horizon Europe. It also signed an EU-Canada Security and Defence Partnership in June 2025, and became the first non-European participant in Security Action for Europe (SAFE), the EU's €150 billion defence loan programme. SAFE already allows Canadian companies to supply some of the capabilities bought by member states with programme funding. That existing network matters because the parties could deepen cooperation step-by-step without first creating an entirely new legal category.[3]

1 "Canada invited to become first "associate member" of the EU", Euronews, 16 September 2026; "Carney to address EU Parliament after Trump says "membership possible hostile act",
17 September 2026.

2 "Carney pushes idea of making Canada "associate member" of EU, WSJ reports", Reuters (The Japan Times), 14 September 2026; "Carney says Canada planning to discuss "unique alliance" with EU, but not membership", CBC News, 14 September 2026; "European Parliament to open Ottawa office as Carney seeks "unique alliance" with EU", CBC News, 15 September 2026.

3 "Mark Carney addresses EU Parliament amid "associate membership" furore", Euronews, 17 September 2026; "Canada in talks to join EU's Erasmus+ exchanges programme", Euronews, 16 September 2026.

Legal framework

As the treaties currently stand, Canada cannot join the EU. Article 49 of the Treaty on the European Union (TEU) limits membership to European states. Creating true membership for Canada would therefore require a fundamental change to the EU treaties. Likewise, the treaties do not provide for associate membership.

Canada's accession to the EU then would possibly amount to formal association. Article 217 of the Treaty on the Functioning of the EU (TFEU) allows the bloc to conclude agreements with third countries, creating thereby reciprocal rights and obligations, common actions and special procedures. The provision is broad enough to support close economic, security and institutional cooperation without making the partner an EU member state. Article 8 TEU has also been mentioned, but it concerns the EU's relations with neighbouring countries and is therefore a less obvious basis for Canada.

The procedure could be lengthy. Under Article 218 TFEU, the European Council would first authorise negotiations and later conclude the agreement. An association agreement requires unanimous approval in the council and the consent of the European Parliament. If the deal also covers matters that belong partly to the member states, national ratification would be required as well.

Association would not give Canada a vote in EU institutions. Existing arrangements generally exchange access for compliance with EU rules in the areas that they cover. Representatives of partner countries may take part in meetings or joint bodies, but that is distinct from participating in EU decision-making as a member state and enjoying the rights bestowed upon them. A customs union also appears difficult because applying the EU's common external tariff would sit uneasily with Canada's trade commitments in North America.

The phrase "associate member" could therefore describe very different outcomes. At one end, the EU could widen Canada's participation in programmes such as Horizon Europe, SAFE and Erasmus+, with limited effects on Canadian domestic law. At the other, a broader treaty could give Canada access to parts of the single market in return for following EU rules in those sectors, overseen by joint institutions. Norway's relationship through the European Economic Area and Switzerland's network of agreements show how extensive such arrangements can become. Neither Brussels nor Ottawa has yet said how far it wants to go, and the eventual substance will matter far more than the label.[4]

Reactions

In the US, President Donald J. Trump has objected publicly to the proposal. On 16 September, he called it "laughable" and said Washington DC would impose serious tariffs on the EU, or halt trade in many products, if it regarded the initiative as hostile. He also signed a memorandum directing federal procurement agencies to remove Canadian-origin products, although a White House official said that measure was unrelated to the EU proposal. The European Commission has maintained that the initiative is not directed against any third country.

Within the EU, Trade Commissioner Maroš Šefčovič presented the offer as a sign of solidarity with Canada, and Ireland, which holds the council presidency, endorsed the initiative. France said it would examine the proposal before taking a position. The German government has reportedly questioned the "associate member" label, while remaining open to new forms of partnership.

In Canada, the conservative opposition has warned against accepting EU laws, taxes or immigration rules, and opposition parties have called for parliamentary approval before the government proceeds. An Abacus Data survey conducted from 4 to 9 September found 81% support for closer integration with the EU and 49% support for full membership.[5]

Australia and other partners

No EU leader has made Australia an equivalent offer. On 17 September, however, Metsola said that Australia and New Zealand could eventually follow Canada, while stressing that discussions remain at an early stage. Australian Trade Minister Don Farrell had said two days earlier that Canberra was "on the same page" as Ottawa on closer EU ties, without defining the form that relationship might take.

Australia's current framework with the EU is less developed than Canada's. The parties concluded negotiations on a free trade agreement on 24 March 2026, and Australia expects signature in late 2026 or early 2027 followed by parliamentary procedures. Their Security and Defence Partnership also took effect in March 2026, and Australian entities are due to participate in Pillar II of Horizon Europe from January 2027. If the EU develops a workable status for Canada, it could therefore provide a model for other close non-European partners.[6]

[4] "Von der Leyen dangles associate EU membership for Canada", TEU, arts 8 and 49; TFEU, arts 217 and 218; Borderlex, 16 September 2026; "Towards an "Associate Membership" Status for Ukraine?", Verfassungsblog, May 2026.

[5] "'Hostile act': Trump threatens EU with tariffs over Canada associate-membership proposal", CNBC, 17 September 2026; "Mark Carney addresses EU Parliament amid "associate membership" furore", Euronews, 17 September 2026; "As Carney Heads to Europe, 4 in 5 Canadians Support Closer Integration with the EU", Abacus Data, September 2026.

[6] "Australia and New Zealand could follow Canada into associated EU membership, Metsola tells Euronews", Euronews, 17 September 2026; "Australia-European Union Free Trade Agreement: Next Steps", Australian Department of Foreign Affairs and Trade, 2026; "The European Union and Australia successfully conclude Horizon Europe negotiations", European Commission, 9 June 2026.

Implications for business

The initiative creates no new legal obligations for businesses today. It nevertheless has immediate practical significance for companies operating across the EU, Canada and the US, particularly where their supply chains, investment decisions or regulatory obligations touch more than one of those markets.

The immediate concern is trade exposure. The US has linked possible tariffs on the EU to its view of the initiative, while US-Canada trade measures are already escalating. Companies should identify where further US measures against either jurisdiction, or Canadian countermeasures against US goods, could affect their supply chains, contracts and pricing. Businesses that rely on inputs moving repeatedly across the Atlantic or the US-Canada border may face the greatest practical exposure.

Economic security could also become an important part of the relationship. Von der Leyen placed it at the centre of the proposed alliance, which could lead the parties to coordinate more closely on export controls, foreign investment reviews and sanctions, although neither side has confirmed that these subjects will form part of the talks. Companies in defence, advanced technology, critical minerals and other sensitive sectors should therefore watch any negotiating mandate for signs that the EU and Canada intend to bring their rules closer together.

The proposal may also widen market access. Closer defence-industrial cooperation could expand opportunities for Canadian suppliers in EU procurement, while cooperation on critical minerals could support further European investment in Canadian projects. Any broader access to parts of the EU single market would probably come with an obligation to follow the relevant EU rules. For companies, the practical question will be whether the additional access justifies the cost of meeting another set of regulatory requirements.

Next steps

The next major milestone would be the EU-Canada summit in Montreal on 29 and 30 October 2026. If the parties choose a formal association agreement, the council would then need to authorise the commission to begin negotiations. Businesses should watch member state positions, any further US trade response and whether Australia or New Zealand seeks a comparable dialogue.

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