

Sector or sub-sector	Description of reservations
<b><u>B. News and Press Agencies Services</u></b> (CPC 962)	None.
<b><u>D. Sporting services</u></b> (CPC 9641)	None.
<b><u>E. Recreation park and beach Services</u></b> (CPC 96491)	None.
16. TRANSPORT SERVICES	
<b><u>A. Maritime Transport</u></b> <sup>51</sup>	
a) <b>International passenger transportation</b> (CPC 7211 less national cabotage transport <sup>52</sup> ).	Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.
b) <b>International freight transportation</b> (CPC 7212 less national cabotage transport <sup>53</sup> )	
<b><u>B. Internal Waterways Transport</u></b>	
a) <b>Passenger transportation</b> (CPC 7221 less national cabotage transport <sup>54</sup> )	Measures based upon existing or future agreements on access to inland waterways reserve some traffic rights to operators based in the countries concerned and meeting nationality criteria regarding ownership. Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.
b) <b>Freight transportation</b> (CPC 7222 less national cabotage transport <sup>55</sup> )	

<sup>51</sup> The horizontal limitation on public utilities applies to port services and other maritime transport services requiring the use of the public domain.

<sup>52</sup> Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include national cabotage transport, which is assumed to cover (a) transportation of passengers or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf as provided in the *UN Convention on the Law of the Sea*, and (b) traffic originating and terminating in the same port or point located in the United Kingdom.

<sup>53</sup> Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include national cabotage transport, which is assumed to cover (a) transportation of passengers or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf as provided in the *UN Convention on the Law of the Sea*, and (b) traffic originating and terminating in the same port or point located in the United Kingdom.

<sup>54</sup> Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include national cabotage transport, which is assumed to cover (a) transportation of passengers or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf as provided in the *UN Convention on the Law of the Sea*, and (b) traffic originating and terminating in the same port or point located in the United Kingdom.

<sup>55</sup> Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this schedule does not include national cabotage transport, which is assumed to cover transportation of passengers or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf as provided in the *UN Convention on the Law of the Sea*, and traffic originating and terminating in the same port or point located in the United Kingdom.

Sector or sub-sector	Description of reservations
<p><b><u>C. Rail Transport</u></b><sup>56</sup></p> <p>a) <b>Passenger transportation</b> (CPC 7111)</p> <p>b) <b>Freight transportation</b> (CPC 7112)</p>	<p>None.</p>
<p><b><u>D. Road Transport</u></b><sup>57</sup></p> <p>a) <b>Passenger Transportation</b> (CPC 7121 and CPC 7122)</p>	<p>Foreign investors cannot provide transport services within the United Kingdom (cabotage), except for rental of non-scheduled services of buses with operator.</p> <p>Economic needs test for taxi services. Main criteria: number of and impact on existing establishments, population density, geographic spread, impact on traffic conditions and creation of new employment.</p>

<sup>56</sup> The horizontal limitation on public utilities applies to rail transport services requiring the use of the public domain.

<sup>57</sup> The horizontal limitation on public utilities applies.

Sector or sub-sector	Description of reservations
<b>b) Freight Transportation<sup>58</sup></b> (CPC 7123, excluding transportation of postal and courier items on own account <sup>59</sup> ).	None.
<b>E. Pipeline transport of goods other than fuel<sup>60,61</sup></b> (CPC 7139)	None.
17. SERVICES AUXILIARY TO TRANSPORT <sup>62</sup>	
<b>A. <u>Services auxiliary to Maritime Transport</u><sup>63</sup></b> <ul style="list-style-type: none"> <li>a) <b>Maritime Cargo Handling Services</b></li> <li>b) <b>Storage and warehousing Services</b> (part of CPC 742)</li> <li>c) <b>Customs Clearance Services</b></li> <li>d) <b>Container Station and Depot Services</b></li> <li>e) <b>Maritime Agency Services</b></li> <li>f) <b>Maritime Freight Forwarding Services</b></li> <li>g) <b>Rental of Vessels with Crew</b> (CPC 7213)</li> <li>h) <b>Pushing and towing services</b> (CPC 7214)</li> <li>i) <b>Supporting services for maritime transport</b> (part of CPC 745)</li> <li>j) <b>Other supporting and auxiliary services (including catering)</b> (part of CPC 749)</li> </ul>	Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.

<sup>58</sup> The horizontal limitation on public utilities applies.

<sup>59</sup> Part of CPC 71235, which is to be found in COMMUNICATION SERVICES under 7.A. Postal and Courier Services.

<sup>60</sup> Pipeline transportation of fuels is to be found in ENERGY SERVICES under 19.B.

<sup>61</sup> The horizontal limitation on public utilities applies.

<sup>62</sup> Does not include maintenance and repair services of transport equipment, which are to be found in BUSINESS SERVICES under 6.F.1) 1. to 6.F.1) 4.

<sup>63</sup> The horizontal limitation on public utilities applies to port services, to other auxiliary services requiring the use of the public domain, and to pushing and towing services.

Sector or sub-sector	Description of reservations
<p><b>B. <u>Services auxiliary to internal waterways transport</u></b><sup>64</sup></p> <ul style="list-style-type: none"> <li>a) <b>Cargo-handling services</b> (part of CPC 741)</li> <li>b) <b>Storage and warehouseservices</b> (part of CPC 742)</li> <li>c) <b>Freight transport agency services</b> (part of CPC 748)</li> <li>d) <b>Rental of Vessels with Crew</b> (CPC 7223)</li> <li>e) <b>Pushing and towing services</b> (CPC 7224)</li> <li>f) <b>Supporting services for internal waterways transport</b> (part of CPC 745)</li> <li>g) <b>Other supporting and auxiliary services</b> (part of CPC 749)</li> </ul>	<p>Measures based upon existing or future agreements on access to inland waterways reserve some traffic rights to operators based in the countries concerned and meeting nationality criteria regarding ownership. Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.</p>

<sup>64</sup> The horizontal limitation on public utilities applies to port services, to other auxiliary services requiring the use of the public domain and to pushing and towing services.



**C. Services auxiliary to rail transport**<sup>65</sup>

- a) **Cargo-handling services**  
(part of CPC 741)
- b) **Storage and warehouseservices**  
(part of CPC 742)
- c) **Freight transport agency services**  
(part of CPC 748)
- d) **Pushing and towing services**  
(CPC 7113)
- e) **Supporting services for rail transport services**  
(CPC 743)
- f) **Other supporting and auxiliary services**  
(part of CPC 749)

None.

<sup>65</sup> The horizontal limitation on public utilities applies when the services require the use of the public domain.

Sector or sub-sector	Description of reservations
<p><b>D. <u>Services auxiliary to road transport</u></b><sup>66</sup></p> <ul style="list-style-type: none"> <li>a) <b>Cargo-handling services</b> (part of CPC 741)</li> <li>b) <b>Storage and warehouseservices</b> (part of CPC 742)</li> <li>c) <b>Freight transport agency services</b> (part of CPC 748)</li> <li>d) <b>Rental of Commercial Road Vehicles with Operators</b> (CPC 7124)</li> <li>e) <b>Supporting services for road transport equipment</b> (CPC 744)</li> <li>f) <b>Other supporting and auxiliary services</b> (part of CPC 749)</li> </ul>	None.
<p><b>E. <u>Services auxiliary to air transport services</u></b></p> <ul style="list-style-type: none"> <li>a) <b>Ground-handling services (including catering)</b></li> </ul>	Unbound, except for National Treatment. Categories of activities depend on the size of the airport. The number of service suppliers in each airport can be limited, due to available-space constraints, and to not less than two suppliers for other reasons.

<sup>66</sup> The horizontal limitation on public utilities applies when the services require the use of the public domain.

Sector or sub-sector	Description of reservations
<b>b) Storage and warehouse services</b> (part of CPC 742)	None.
<b>c) Freight transport agency services</b> (part of CPC 748)	None.
<b>d) Rental of aircraft with crew</b> (CPC 734)	<p>Aircraft used by a United Kingdom air carrier have to be registered in the United Kingdom.</p> <p>To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control.</p> <p>Aircraft must be operated by an air carrier owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control.</p>
<b>e) Sales and Marketing</b> <b>f) Computer Reservations System</b>	<p>Where air carriers of the United Kingdom are not accorded equivalent treatment<sup>67</sup> to that provided in the United Kingdom by CRS services suppliers in Korea, or where CRS services suppliers of the United Kingdom are not accorded equivalent treatment to that provided in the United Kingdom by air carriers in Korea, measures may be taken to accord equivalent treatment, respectively, to the air carriers of Korea by the CRS services suppliers in the United Kingdom, or to the CRS services suppliers of Korea by the air carriers in the United Kingdom.</p>
<b><u>F. Services auxiliary to pipeline transport of goods other than fuel</u></b> <sup>68</sup> a) <b>Storage and warehouse services of goods other than fuel transported by pipelines</b> <sup>69</sup> (part of CPC 742)	None.

<sup>67</sup> 'Equivalent treatment' implies non-discriminatory treatment of air carriers of the United Kingdom and CRS services suppliers of the United Kingdom.

<sup>68</sup> Services auxiliary to pipeline transportation of fuels are to be found in ENERGY SERVICES under 19.C.

<sup>69</sup> The horizontal limitation on public utilities applies.

Sector or sub-sector	Description of reservations
18. OTHER TRANSPORT SERVICES	
<b>Provision of Combined Transport Service</b>	None, without prejudice to the limitations inscribed in this List of Commitments affecting any given mode of transport.
19. ENERGY SERVICES	
<b><u>A. Services Incidental to Mining</u></b> <sup>70</sup>	None.
(CPC 883) <sup>71</sup>	
<b><u>C. Storage and warehouse services of fuels transported through pipelines</u></b> <sup>72</sup>	None.
(part of CPC 742)	
<b><u>D. Wholesale trade services of solid, liquid and gaseous fuels and related products</u></b>	Unbound for wholesale trade services of electricity, steam and hot water.
(CPC 62271)	
and wholesale trade services of electricity, steam and hot water <sup>73</sup>	
<b><u>E. Retailing Services of motor fuel</u></b>	Unbound for retailing services of motor fuel, electricity, (non bottled) gas, steam and hot water.
(CPC 613)	
<b><u>F. Retail sales of fuel oil, bottled gas, coal and wood</u></b>	
(CPC 63297)	
and retailing services of electricity, (non-bottled) gas, steam	

<sup>70</sup> The horizontal limitation on public utilities applies.

<sup>71</sup> Includes the following services rendered on a fee or contract basis: advisory and consulting services relating to mining, on-land site preparation, on-land rig installation, drilling, drilling bits services, casing and tubular services, mud engineering and supply, solids control, fishing and downhole special operations, wellsite geology and drilling control, core taking, well testing, wireline services, supply and operation of completion fluids (brines) supply and installation of completion devices, cementing (pressure pumping), stimulation services (fracturing, acidising and pressure pumping), workover and well repair services and plugging and abandoning of wells. Does not include direct access to or exploitation of natural resources. Does not include site preparation work for mining of resources other than oil and gas (CPC 5115), which is to be found under 8. CONSTRUCTION AND RELATED ENGINEERING SERVICES.

<sup>72</sup> The horizontal limitation on public utilities applies.

<sup>73</sup> The horizontal limitation on public utilities applies.

and hot water<sup>74</sup>

Sector or sub-sector	Description of reservations
<b>G. Services incidental to energy distribution</b> <sup>75</sup> (CPC 887)	Unbound except for consultancy services, and none for consultancy services.
20. OTHER SERVICES NOT INCLUDED ELSEWHERE	
a) <b>Washing, Cleaning and Dyeing services</b> (CPC 9701)	None.
b) <b>Hairdressing services</b> (CPC 97021)	None.
c) <b>Cosmetic treatment, manicuring and pedicuring services</b> (CPC 97022)	None.
d) <b>Other beauty treatment services n.e.c</b> (CPC 97029)	None.
e) <b>Spa services and non therapeutic massages, to the extent that they are provided as relaxation physical well-being services and not for medical or rehabilitation purposes</b> <sup>76,77</sup> (CPC ver. 1.0 97230)	None.

<sup>74</sup> The horizontal limitation on public utilities applies.

<sup>75</sup> Except for consulting services, the horizontal limitation on public utilities applies.

<sup>76</sup> Therapeutic massages and thermal cure services are to be found under 6.A.h) Medical and Dental services, 6.A.i) 2. Services provided by Nurses, Physiotherapists and Paramedical personnel, and Health Services (13.A and 13.C).

<sup>77</sup> The horizontal limitation on public utilities applies to spa services and non-therapeutic massages provided in domains of public utility such as certain water sources.

f) Telecommunications connection services (CPC 7543)	None.
---	-------

UNITED KINGDOM

**LIST OF RESERVATIONS IN CONFORMITY WITH ARTICLES 7.18 AND 7.19  
(KEY PERSONNEL AND GRADUATE TRAINEES AND BUSINESS SERVICE SELLERS)**

1. The list of reservations below indicates the economic activities liberalised pursuant to Articles 7.7 and 7.13 for which limitations on key personnel and graduate trainees in accordance with Articles 7.18 and 7.19 apply and specifies such limitations. The list below is composed of the following elements:
  - (a) the first column indicating the sector or sub-sector in which limitations apply; and
  - (b) the second column describing the applicable limitations.

The United Kingdom does not undertake any commitment for key personnel in economic activities which are not liberalised (remain unbound) pursuant to Article 7.13.
2. In identifying individual sectors and sub-sectors:
  - (a) **ISIC rev 3.1** means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 4, ISIC REV 3.1, 2002;
  - (b) **CPC** means the Central Products Classification as referred to in footnote 27 to Article 7.25; and
  - (c) **CPC ver. 1.0** means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC ver 1.0, 1998.
3. Commitments on key personnel and graduate trainees do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.
4. The list below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures when they do not constitute a limitation within the meaning of Articles 7.18 and 7.19. Those measures (e.g. need to obtain a licence, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and need to have a legal domicile in the territory where the economic activity is performed), even if not listed below, apply in any case to key personnel and graduate trainees of Korea.
5. All requirements of the laws and regulations of the United Kingdom regarding entry, stay, work and social security measures shall continue to apply, including regulations concerning period of stay, minimum wages as well as collective wage agreements even if not listed below.
6. In accordance with Article 7.1.3, the list below does not include measures concerning subsidies granted by a Party.
7. The list below is without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.
8. In the sectors where economic needs tests are applied, their main criteria will be the assessment of the relevant market situation in the United Kingdom or the region where the service is to be provided, including with respect to the number of, and the impact on, existing services suppliers.
9. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Sector or sub-sector	Description of reservations
6. BUSINESS SERVICES	



Sector or sub-sector	Description of reservations
<b><u>E. Rental/Leasing Services without Operators</u></b>	
e) <b>Relating to personal and household goods</b> (CPC 832)	Nationality condition for specialists and for graduate trainees.
f) <b>Telecommunications equipment rental</b> (CPC 7541)	Nationality condition for specialists and for graduate trainees.
<b><u>F. Other Business Services</u></b>	
l) <b>3. Maintenance and Repair of motor vehicles, motorcycles, snowmobiles and road transport Equipment</b> (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)	For maintenance and repair of motor vehicles, motorcycles and snowmobiles, nationality condition for specialists and for graduate trainees.
l) <b>5. Maintenance and Repair services of metal products, of (non office) machinery, of (non transport and non office) equipment and of personal and household goods<sup>1</sup></b> (CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)	Nationality condition for specialists and for graduate trainee, except for CPC 633, 8861, 8866.

<sup>1</sup> Maintenance and repair services of transport equipment (CPC 6112, 6122, 8867 and CPC 8868) are to be found under 6.F. l) 1. to 6.F.) 4. Maintenance and repair services of office machinery and equipment including computers (CPC 845) are to be found under 6.B. Computer and Related Services.

Sector or sub-sector	Description of reservations
<b>r) 5. Duplicating services</b> (CPC 87904) <sup>2</sup>	Nationality condition for specialists and for graduate trainees.

<sup>2</sup> Does not include printing services, which fall under CPC 88442 and are to be found under 6.F. p).

Sector or sub-sector	Description of reservations
16. TRANSPORT SERVICES	
<b><u>A. Maritime Transport</u></b>	
<b>a) International passenger transportation</b> (CPC 7211 less national cabotage transport).	Nationality condition for ships' crew.

Sector or sub-sector	Description of reservations
<b>b) International freight transportation</b> (CPC 7212 less national cabotage transport)	Nationality condition for ships' crew.
20. OTHER SERVICES NOT INCLUDED ELSEWHERE	
<b>a) Washing, Cleaning and Dyeing services</b> (CPC 9701)	Nationality condition for specialists and for graduate trainees.
<b>b) Hairdressing services</b> (CPC 97021)	Nationality condition for specialists and for graduate trainees.

Sector or sub-sector	Description of reservations
<b>c) Cosmetic treatment, manicuring and pedicuring services</b> (CPC 97022)	Nationality condition for specialists and for graduate trainees.
<b>d) Other beauty treatment services n.e.c</b> (CPC 97029)	Nationality condition for specialists and for graduate trainees.
<b>e) Spa services and non therapeutical massages, to the extent that they are provided as relaxation physical well-being services and not for medical or rehabilitation purposes<sup>3</sup></b> (CPC ver. 1.0 97230)	Nationality condition for specialists and for graduate trainees.

<sup>3</sup> Therapeutical massages and thermal cure services are to be found under 6.A.1) Medical and Dental services, 6.A.j) 2. Services provided by Nurses, Physiotherapists and Paramedical personnel, and health services (13.A and 13.C).

**ANNEX 7-A-4**

**KOREA**

**SCHEDULE OF SPECIFIC COMMITMENTS IN CONFORMITY WITH ARTICLES 7.7, 7.13, 7.18 AND 7.19**

## A. Schedule of Specific Commitments in Services Sectors

### EXPLANATORY NOTES

1. The list of commitments below (hereinafter referred to as “this Schedule”) indicates the service sectors liberalised pursuant to Articles 7.7 and 7.13, and, by means of reservations, the market access and national treatment limitations that apply to services and service suppliers of the United Kingdom in those sectors. This Schedule is composed of the following elements:

- (a) the first column indicating the sector or subsector in which the commitment is undertaken by Korea, and the scope of liberalisation to which the reservations apply;
- (b) the second column describing the applicable reservations to Articles 7.5 and 7.11 in the sector or subsector indicated in the first column;
- (c) the third column describing the applicable reservations to Articles 7.6 and 7.12 in the sector or subsector indicated in the first column; and
- (d) the fourth column describing specific commitments on measures affecting the cross-border supply of services and establishment in service sectors not subject to scheduling under Articles 7.5 and 7.11 and Articles 7.6 and 7.12.

Supply of services in sectors or subsectors covered by this Agreement and not mentioned in this Schedule is not committed.

- 2. Measures inconsistent with both Articles 7.5 and 7.11 and Articles 7.6 and 7.12 shall be inscribed in the column relating to Articles 7.5 and 7.11. In this case the inscription will be considered to provide a condition or qualification to Articles 7.6 and 7.12 as well.<sup>1</sup>
- 3. Four different modes of supply are indicated in this Schedule. These shall be understood as follows:
  - (a) The mode of supply “1) the cross-border supply” is understood as the supply of a service from the territory of a Party into the territory of the other Party, in accordance with Article 7.4.3 (a) (i)
  - (b) The mode of supply “2) the consumption abroad” is understood as the supply of a service in the territory of a Party to the service consumer of the other Party, in accordance with Article 7.4.3 (a) (ii).

<sup>1</sup> For the purposes of this paragraph, treatment provided under Articles 7.6 and 7.12 is no less favourable than that committed in free trade agreements to which Korea is a party and which will enter into force after the signature of this Agreement.

- (c) The mode of supply “3) the commercial presence” is understood as the supply of a service through an establishment, in accordance with Article 7.9 (a).
- (d) The mode of supply “4) the presence of natural persons” is understood as the supply of a service through the temporary presence of natural persons for business purpose, in accordance with Article 7.17.
4. Notwithstanding Article 7.11, non-discriminatory requirements as regards the types of legal form of an establishment do not need to be specified in this Schedule in order to be maintained or adopted by Korea.
5. Korea does not undertake any commitment under Articles 7.18 and 7.19 on key personnel, graduate trainees and business service sellers in economic activities which are not liberalised pursuant to Articles 7.7 and 7.13.
- Korea’s commitments undertaken under Articles 7.18 and 7.19 on key personnel, graduate trainees and business service sellers do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.
- Korea may take measures affecting natural persons seeking access to the employment market of Korea and measures regarding citizenship, residence or employment on a permanent basis.
- Key personnel, graduate trainees and business service sellers whose entries and temporary stays are permitted shall observe the immigration and labour laws of Korea.
6. In identifying individual sectors and sub-sectors, **CPC** means the Central Products Classification as referred to in footnote 27 to Article 7.25.
7. This Schedule does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements when they do not constitute a market access or a national treatment limitation within the meaning of Articles 7.5 and 7.11 and Articles 7.6 and 7.12. Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, and need to pass specific examinations, including language examinations and need to have a legal domicile in the territory where the economic activity is performed), even if not listed, apply in any case to services and service suppliers of the United Kingdom.
8. In accordance with Article 7.1, this Schedule does not include measures concerning subsidies or grants provided by Korea, including government-supported loans, guarantees and insurance.



9. The rights and obligations arising from this Schedule shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
"Unbound*" means unbound due to lack of technical feasibility.			
"***" Double asterisks on the CPC Code number indicate that the corresponding service sub-sector in this Schedule only covers a part or parts of the service sub-sector classified under the given CPC code number.			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) The acquisition of outstanding stocks of existing domestic companies in such areas as energy and aviation by natural persons or juridical persons of the other Party may be restricted.</p> <p>Unbound for measures with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities, and the transfer to the private sector of all or any portion of services provided in the exercise of governmental authorities.<sup>2,3</sup></p> <p>Unbound for measures that accord rights or preferences to socially or economically disadvantaged groups, such as the disabled, persons who have rendered distinguished services to the state, and ethnic minorities.<sup>4</sup></p>	<p>1)2)3) Unbound for measures with respect to the firearms, swords, and explosives sectors, including the manufacture, use, sale, storage, transport, import, export, and possession of firearms, swords, or explosives.</p> <p>1)2) For business services, unbound for measures with respect to the exportation and re-exportation of controlled commodities, software, and technology.</p> <p>3) The acquisition of land is unbound except:</p> <p>(a) that the acquisition of land by companies which are not deemed as foreign under <i>the Foreigner's Land Acquisition Act</i> is permitted, and</p>	

<sup>2</sup> This reservation does not apply to former private enterprises that are owned by the state as a result of corporate reorganisation processes.

<sup>3</sup> For purposes of this reservation, "state enterprise" shall include any enterprise created for the sole purpose of selling or disposing of equity interests or assets of other state enterprises or governmental authorities.

<sup>4</sup> The measures for companies employing disadvantaged groups are applied in a non-discriminatory way.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>Unbound for measures affecting the administration and operation of any state-owned electronic information system that contains proprietary government information or information gathered pursuant to the regulatory functions and powers of the government. This reservation does not apply to payment and settlement systems related to financial services.</p>	<p>(b) that the acquisition of land by companies which are deemed as foreign under <i>the Foreigner's Land Acquisition Act</i> and by branches of foreign companies is permitted, subject to approval or notification in accordance with <i>the Foreigner's Land Acquisition Act</i>, for any of the following legitimate business purposes:</p> <ul style="list-style-type: none"> <li>- land used for supplying services during the course of normal business activities;</li> <li>- land used for housing senior company personnel under pertinent laws; or</li> <li>- land used for fulfilling land-holding requirements stipulated by pertinent laws.</li> </ul>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>4)<sup>5</sup> <b>Key Personnel and Business Services Sellers</b></p> <p>Unbound except as per the commitment under the Section D “Temporary Presence of Natural Persons for Business Purpose.”</p> <p><b>Graduate Trainees(GT)</b></p> <p>Unbound for sectors or sub-sectors as below:</p> <p>CPC 861, CPC 862, CPC 863, CPC 851, CPC 853, CPC 82201**, CPC 82202**, CPC 82203**, CPC 82204**, CPC 82205**, CPC 82206**, CPC 83104, CPC 832, CPC 86761**, CPC 86763**, CPC 86769**, CPC 633, CPC 8861, CPC 8862, CPC 8863, CPC 8864, CPC 8865, CPC 8866, CPC 874**, CPC 7512**, Telecommunication Services, Distribution services except CPC 8929**, Educational services, CPC 9401**, CPC 9402**, CPC 641, CPC 642, CPC 6431**, CPC 7471, CPC 87905, CPC 96191, CPC 96192, CPC 962, CPC 7472, CPC 7211, CPC 7212, CPC 7111, CPC 7112, CPC 71233**, CPC 9702, ISIC rev 3.1<sup>6</sup>: 011, 012, 013, 015.</p>	<p>4) The acquisition of land is unbound except that the lease hold right of land is permitted.</p>		
<b>II. SECTOR-SPECIFIC COMMITMENTS</b>			
1. BUSINESS SERVICES			
A. Professional Services			

<sup>5</sup> These limitations on key personnel, graduate trainees and business services sellers are also applied to the Schedule of Specific Commitments in Establishment. Regarding the CPC codes with double asterisks in limitations on graduate trainees, the scope of “unbound” is the same as the scope of the commitment in the related sectors or sub-sectors in “II. Sector-Specific Commitments.”

<sup>6</sup> “ISIC rev 3.1” prescribed in this Schedule means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No 4, *ISIC REV 3.1*, 2002.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>a. Legal services (CPC 861)</p> <p>Excluding</p> <p>(i) representation for juridical or statutory procedures in courts and other government agencies as well as preparation of legal documents for such procedures;</p> <p>(ii) legal representation for the entrustment of the preparation of notarial deeds;</p>	<p>1)2)3) (a) Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) registered with the Korean Bar Association may supply legal services.</p> <p>A <i>byeon-ho-sa</i> (Korean-licensed lawyer) or a <i>beop-mu-sa</i> (Korean-certified judicial scrivener) who practices in Korea must establish an office in the jurisdiction of the district court in which he or she practices. A <i>gong-jeung-in</i> (Korean notary public) must establish an office in the jurisdiction of the district office of the public prosecutor in which he or she practices.</p> <p>Only a <i>byeon-ho-sa</i> (Korean-licensed lawyer) may establish the following types of legal entity: <i>beop-yoo/-sa-mu-so</i> (law office), <i>beop-mu-beop-in</i> (law company with the characteristics of partnership), <i>beop-mu-beop-in (yoo-han)</i> (limited liability law company), or <i>beop-mu-jo-hap</i> (limited liability partnership law office). For greater certainty, a person that is not a Korean-licensed lawyer is not permitted to invest in any of these types of legal entity.</p>	<p>1)2)3) The same limitations as specified in (b) of MA column apply.</p>	<p>1. Representation in international commercial arbitration is permitted, provided that the applicable procedural and substantive laws in the arbitration are either the laws which the Foreign Legal Consultant is qualified to practice in Korea, or international rules.</p> <p>2. Use of home title in its own language is permitted, provided that it is used with reference to "Foreign Legal Consultant" in Korean.</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(iii) activities concerning labor affairs consulting services or a legal case whose objective is the acquisition, loss or change of rights concerning real property in Korea, intellectual property rights, mining rights or other rights arising upon registration thereof with government agencies in Korea; and</p> <p>(iv) activities in a legal case concerning family relations or inheritance, in which a Korean national is involved as a party or the property concerned is located in Korea.</p>	<p>(b) Unbound for legal services other than legal services permitted to provide in (a)<sup>7</sup>, except for the following:</p> <p>(i) No later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement, law firms of the United Kingdom to establish representative offices (Foreign Legal Consultant offices or FLC offices) in Korea, and lawyers licensed in the United Kingdom to provide legal advisory services regarding the laws of the jurisdiction in which they are licensed and public international law as foreign legal consultants in Korea; and</p> <p>(ii) No later than the date this Agreement enters into force, Korea shall allow a representative office, subject to certain requirements consistent with this Agreement, to enter into specific cooperative agreements with Korean law firms in order to be able to jointly deal with cases in which domestic and foreign legal issues are mixed, and to share profits derived from such cases.</p>		<p>3. Use of firm name is permitted, provided that it is used with reference to "Foreign Legal Consultants Office" in Korean.</p>

<sup>7</sup> Korea reserves the right to adopt or maintain any measure, including but not limited to (a) restrictions on certification, approval, registration, admission, and supervision of, and any other requirements with respect to, foreign country-licensed lawyers or foreign law firms supplying any type of legal services in Korea; (b) restrictions on foreign country-licensed lawyers or foreign law firms entering into partnerships, commercial associations, affiliations, or any other type of relationship regardless of legal form, with *byeon-ho-sa* (Korean-licensed lawyers), Korean law firms, *beop-mu-sa* (Korean judicial scriveners), *byeon-ri-sa* (Korean patent attorneys), *gong-in-hoe-ge-sa* (certified public accountants), *se-mu-sa* (Korean certified tax accountants) or *gwan-se-sa* (Korean customs brokers); (c) restrictions on foreign country-licensed lawyers or foreign law firms hiring *byeon-ho-sa* (Korean-licensed lawyers), *beop-mu-sa* (Korean judicial scriveners), *byeon-ri-sa* (Korean patent attorneys), *gong-in-hoe-ge-sa* (certified public accountants), *se-mu-sa* (Korean certified tax accountants) or *gwan-se-sa* (Korean customs brokers); and (d) restriction on senior management and the board of directors of legal entities supplying foreign legal consulting services, including with respect to the chairman, notwithstanding the provision of the footnotes 15 and 24 in Chapter Seven.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(iii) No later than the date this Agreement enters into force, Korea shall allow law firms of the United Kingdom to establish, subject to certain requirements consistent with this Agreement, joint venture firms with Korean law firms. Korea may impose restrictions on the proportion of voting shares or equity interests of the joint venture firms. For greater certainty, such joint venture firms may, subject to certain requirements, employ Korean-licensed lawyers as partners or associates.</p> <p>4) Unbound, except as indicated in the Horizontal Commitments section. The movement of natural persons is only allowed in relation to a commercial presence.</p> <p>Only legal advisory services on the laws of the jurisdiction in which foreign lawyers are licensed and public international law is permitted.</p>	<p>4) Unbound, except as indicated in the Horizontal Commitments section.</p>	

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
<p>The following information is provided for transparency purposes only:</p> <ol style="list-style-type: none"> <li>1. A foreign lawyer who wishes to practice law as Foreign Legal Consultant (FLC) in Korea must be approved by the Minister of Justice, must register with the Korean Bar Association, must have practised law for at least 3 years in the jurisdiction where he or she is qualified as a lawyer, and must be in good standing of the legal profession in the jurisdiction.</li> <li>2. Permission of the Minister of Justice and registration with the Korean Bar Association are required for the establishment of a representative office in Korea. The representative office consists of a FLC or FLCs approved by the Minister of Justice. It must have credibility and expertise, and sufficient capability to compensate for damages caused to clients, if any. The chief of the representative office must have practised law for at least 7 years, including 3 years in the jurisdiction of his or her qualification.</li> <li>3. A representative office can conduct profit-making activities provided that such presence in Korea maintains proper business plans and financial bases.</li> <li>4. For purposes of the commitment in this sector, only a law firm which is organised under the relevant law of the United Kingdom and headquartered in the United Kingdom can establish its representative office in Korea. Any type of subordinate or dependent legal entity, including but not limited to a branch, a local office, a subsidiary or a joint-venture firm of the law firm of a country that is not the United Kingdom, shall not be permitted to establish its representative office in Korea.</li> <li>5. A Foreign Legal Consultant is required to stay in Korea not less than 180 days a year.</li> </ol>				



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>b. Accounting, auditing and book-keeping services (CPC 862)</p>	<p>1)2)3) (a) Only a <i>gae-in-sa-mu-so</i> (sole proprietorship), a <i>gam-sa-ban</i> (auditing task force) or a <i>hoe-gye-boep-in</i> (accounting corporation limited liability company) established in Korea by a <i>gong-in-hoe-gye-sa</i> (Korean-certified public accountant) registered under the <i>Certified Public Accountant Act</i> may supply accounting and auditing services. For greater certainty, a person that is not a Korean-registered certified public accountant is not permitted to invest in any of these types of legal entity.</p> <p>Only a <i>gong-in-hoe-gye-sa</i> (Korean-certified public accountant) in an auditing task force or an accounting corporation may supply auditing services regulated under the <i>External Audit of Stock Companies Act</i>.</p> <p>(b) Unbound for accounting and auditing services other than accounting and auditing services permitted to provide in (a)<sup>8</sup>, except for the followings:</p> <p>(i) No later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement:</p> <p>a) Certified public accountants of the United Kingdom registered in the United Kingdom or accounting corporations organised under the law of the United Kingdom to supply accounting consulting services regarding the accounting laws of the jurisdiction in which they are registered or international accounting laws and standards through offices established in Korea; and</p>	<p>1)2)3) The same limitations as specified in (b) of MA column apply.</p>	<p>1)2)3) A Korean accounting firm or office may, by paying an annual membership fee, acquire membership to international accounting organisations which have world-wide business networks.</p> <p>The following services may be supplied to a Korean accounting firm or office through a membership contract:</p> <p>(i) Consultancy for foreign accounting standards and auditing;</p> <p>(ii) Training of CPAs;</p> <p>(iii) Transfer of auditing technology; and</p> <p>(iv) Exchange of information.</p>

<sup>8</sup> Korea reserves the right to adopt or maintain any measure, including but not limited to (a) restrictions on certified public accountants or accounting corporations registered under foreign laws hiring *gong-in-hoe-gye-sa* (Korean-certified public accountants); (b) restrictions on foreign-certified public accountants providing auditing services in Korea; and (c) restrictions on senior management and the board of directors of legal entities supplying certified public accountancy services, including with respect to the chairman, notwithstanding the provision of the footnotes 15 and 24 in Chapter Seven.

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>b) Certified public accountants of the United Kingdom registered in the United Kingdom to work in <i>hoe-gye-beop-in</i> (Korean accounting corporations).</p> <p>(ii) No later than the date this Agreement enters into force, Korea shall allow certified public accountants of the United Kingdom registered in the United Kingdom to invest in any <i>hoe-gye-beop-in</i> (Korean accounting corporation), subject to certain requirements consistent with this Agreement, provided that:</p> <p>a) <i>gong-in-hoe-gye-sa</i> (Korean registered certified public accountants) shall own more than 50 percent of the voting shares or equity interests of the <i>hoe-gye-beop-in</i>; and</p> <p>b) any single certified public accountant of the United Kingdom registered in the United Kingdom owns less than 10 percent of the voting shares or equity interests of the <i>hoe-gye-beop-in</i>.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>		<p>4) Temporary movement of natural persons who are registered as CPAs under their home country's laws and are employed by international accounting firms for the purpose of supplying the services mentioned above is allowed.</p> <p>Entry and stay of these persons is limited to a one-year period that may be extended if extension is deemed to be necessary.</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>c. Taxation services (CPC 863)</p>	<p>1) 2)3) (a) Only a <i>se-mu-sa-mu-so</i> (sole proprietorship), a <i>se-mu-jo-jeong-ban</i> (tax reconciliation task force) or a <i>se-mu-beop-in</i> (tax agency corporation limited liability company) established in Korea by a <i>se-mu-sa</i> (Korean-certified tax accountant) registered under <i>the Certified Tax Accountant Act</i> may supply <i>se-mu-sa</i> (Korean-certified tax accountant) services, including tax reconciliation services and tax representative services. For greater certainty, a person that is not a Korean-registered certified tax accountant may not invest in any of these types of legal entity.</p> <p>Only a <i>se-mu-jo-jeong-ban</i> (tax reconciliation task force) or a <i>se-mu-beop-in</i> (tax agency corporation limited liability company) may supply tax reconciliation services.</p> <p>(b) Unbound for taxation services other than taxation services permitted to provide in (a)<sup>9</sup>, except for the followings:</p> <p>(i) No later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement:</p> <p>a) the establishment of offices in Korea by certified tax accountants of the United Kingdom registered in the United Kingdom or tax agency corporations</p>	<p>1)2)3) the same limitations as specified in (b) of MA column apply.</p>	

<sup>9</sup> Korea reserves the right to adopt or maintain any measure, including but not limited to (a) restrictions on certified tax accountants or tax agency corporations registered under foreign laws hiring *se-mu-sa* (Korean-certified tax accountants) or *gong-in-hoe-gye-sa* (Korean-certified public accountants); (b) restrictions on foreign-certified tax accountants providing tax reconciliation services and tax representative services in Korea; and (c) restrictions on senior management and the board of directors of legal entities supplying certified tax accountancy services, including with respect to the chairman, notwithstanding the provision of the footnotes 15 and 24 in Chapter Seven.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>organised under the laws of the United Kingdom to provide tax consulting services with respect to the tax laws of the jurisdiction in which they are registered or international tax laws and taxation systems; and</p> <p>b) Certified tax accountants of the United Kingdom registered in the United Kingdom to work in <i>se-mu-beop-in</i> (Korean tax agency corporations).</p> <p>(ii) No later than the date this Agreement enters into force, Korea shall allow certified tax accountants of the United Kingdom registered in the United Kingdom to invest in any <i>se-mu-beop-in</i> (Korean tax agency corporation), subject to certain requirements consistent with this Agreement, provided that:</p> <p>a) <i>se-mu-sa</i> (Korean-certified tax accountants) shall own more than 50 percent of the voting shares or equity interests of the <i>se-mu-beop-in</i>; and</p> <p>b) any single certified tax accountant of the United Kingdom registered in the United Kingdom owns less than 10 percent of the voting shares or equity interests of the <i>se-mu-beop-in</i>.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
d. Architectural services (CPC 8671)	<ol style="list-style-type: none"> <li>1) Commercial presence<sup>10</sup> is required.</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<p>1)2)4) Supply of services by foreign architects through joint contracts with architects licensed under Korean law is allowed.</p> <p>Foreign architects licensed under their home country's law may acquire a Korean architect license by passing a simplified examination which covers only two of the regular test's six subjects:</p> <ol style="list-style-type: none"> <li>(i) Architectural Laws and Regulations; and</li> <li>(ii) Architectural Design.</li> </ol>
e. Engineering services (CPC 8672)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
f. Integrated engineering services (CPC 8673)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
g. Urban planning and landscape Architectural services (CPC 8674)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>10</sup> Commercial presence need not be a juridical person.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
i. Veterinary services (CPC 932) including aquatic animal disease inspector	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
B. <u>Computer and Related Services</u> a. Consultancy services related to the installation of computer hardware (CPC 841) b. Software implementation services (CPC 842) c. Data processing services (CPC 843)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
d. Data base services (CPC 844)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
e. Other (CPC 845, 849)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
C. <u>Research and Development Services</u> a. Research and development services on natural sciences (CPC 851)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) For marine scientific research, a foreign person, a foreign government, or a Korean enterprise owned or controlled by a foreign person that intends to conduct marine scientific research in the territorial waters or exclusive economic zone of Korea must obtain prior authorisation or consent from the Ministry of Oceans and Fisheries.</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
b. Research and development services on social sciences and humanities (CPC 852)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
c. Interdisciplinary research and development services (CPC 853)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Real Estate Services</u></p> <p>Brokerage services (CPC 82203**, 82204**, 82205**, 82206**)</p> <p>Appraisal services (CPC 82201**, 82202**) excluding appraisal services related to services supplied in the exercise of governmental authorities such as assessment of land prices and compensation for expropriation</p>	<p>1) Commercial presence is required.</p> <p>2) None for real estate located abroad</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) Commercial presence is required.</p> <p>2) None for real estate located abroad</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None for real estate located abroad</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) None</p> <p>2) None for real estate located abroad</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>E. <u>Rental/Leasing Services without Operators</u></p> <p>a. Relating to ships (CPC 83103)</p>	<p>1) None</p> <p>2) None</p> <p>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>b. Relating to aircraft (CPC 83104)</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) Joint venture in which foreign equity participation is less than 50 percent is permitted.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) Representatives of joint venture companies must be Korean nationals.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
c. Relating to other transport equipment (CPC 83101, 83105**)¹¹	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
d. Relating to other machinery and equipment (CPC 83106-83109)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
e. Other Leasing or rental services concerning personal or household goods (CPC 832)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
<b>F. Other Business Services</b>			
a. Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
b. Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

¹¹ 83105\*\*: Only passenger vehicles for less than 15 passengers under CPC 83105.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
c. Management consulting services (CPC 865)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
d. Project management and other management services (CPC 86601, 86609)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
e. Composition and purity testing and analysis services (CPC 86761**) <sup>12</sup>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Establishment of a commercial presence is subject to an economic needs test. Main Criteria: the number of and impact on existing domestic suppliers, protection of public health, safety, and the environment.</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Testing and analysis services of physical properties (CPC 86762)	<ol style="list-style-type: none"> <li>1) Commercial presence is required.</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Technical inspection services (CPC 86764)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>12</sup> 86761: Only inspection, testing and analysis services of air, water, noise level and vibration level under CPC 86761.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Testing and analysis services of integrated mechanical and electrical systems (CPC 86763**, 86769**) <sup>13</sup>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
f. Consulting services related to agriculture and animal husbandry (CPC 8811**, 8812**)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Poultry differentiation services (CPC 8812**)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Services incidental to forestry excluding aerial fire fighting and disinfection (CPC 8814**)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
g. Consulting services related to fishing (CPC 882**)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>13</sup> 86763, 86769: Only testing and analysis services of electrical products under CPC 86763, 86769.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>h. Services incidental to mining (CPC 883)</p> <p>i. Services incidental to manufacturing : only consulting services related to manufacturing technologies of new products (CPC 884** and 885** excluding 8841, 88450, 88442, and 88493)</p> <p>k. Placement services of personnel (CPC 87201**, 87202**) excluding placement services for seafarers under the <i>Seafarers' Act</i></p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) None</p> <p>2) None</p> <p>3) Foreign service suppliers may supply services only in the form of a corporation under the <i>Commercial Act</i>.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>Notes on placement services of personnel for transparency purposes:</p> <p>1. The corporations shall follow the rules for service fees determined and announced by the Minister of Employment and Labor.</p> <p>2. The corporations shall be established with a paid-in capital of 50 million won or more. If suppliers wish to install additional branch offices, the total paid-in capital shall increase by 20 million won for each branch office additionally installed.</p>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>I. Investigation and security services(CPC 873)</p>	<p>1) Unbound 2) None 3) Only a juridical person organised under Korean law may supply security services in Korea. For transparency purposes, only five types of security services are permitted in Korea: (a) shi-seol-gyung-bee (facility security); (b) ho-song-gyung-bee (escort security); (c) shin-byun-bo-ho (personal security); (d) gee-gye-gyung-bee (mechanized security); and (e) teuk-soo-gyung-bee (special security). 4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Unbound 2) None 3) None  4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>m. Related scientific and technical consulting services</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>Geological, geophysical and other scientific prospecting services (CPC 86751)  Subsurface surveying services(CPC 86752)  Surface surveying services (CPC 86753**) excluding services related to cadastral survey</p>	<p>1) None 2) None 3) None 4) Commercial presence is required.  Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Map-making services (CPC 86754**) excluding services related to cadastral map	<ol style="list-style-type: none"> <li>1) Commercial presence is required.</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
n. Maintenance and repair of equipment (CPC 633, 8861, 8862, 8863, 8864, 8865, 8866)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
o. Building-cleaning services (CPC 874**, excluding 87409)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
p. Photographic services (CPC 875)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
q. Packaging services (CPC 876)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
r. 1) Printing (CPC 88442**) <sup>14</sup>	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
r. 2) Publishing (CPC 88442**) excluding publishing services of newspapers and periodicals	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section	
s. Convention services (CPC 87909**)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
Stenography services (CPC 87909**)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
t. Translation and interpretation services (CPC 87905)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
Specialty design services (CPC 87907)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

<sup>14</sup> 88442: Screen printing, gravure printing and services related to printing under CPC 88442.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2. COMMUNICATION SERVICES</p> <p><u>B. Courier Service</u></p> <p>Courier Services including express delivery services<sup>15</sup> (CPC 7512**) Excluding the services to collect, process, and deliver letters for which exclusive rights<sup>16</sup> are reserved for the Korean Postal Authority (KPA) under the <i>Postal Service Act</i>.<sup>17</sup></p> <p>The exclusive rights of the KPA include the right of access to its postal network and operation thereof.</p>	<p>1) Provision of services is limited to air and sea transport modes.</p> <p>2) None</p> <p>3) A trucking business license for domestic courier supply is subject to an economic needs test. For greater certainty, a person acquiring an existing domestic courier services supplier does not need to obtain a new trucking business license provided that the acquirer operates under the same terms and conditions as set out in the acquiree's license.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Provision of services is limited to air and sea transport modes.</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

<sup>15</sup> "Express delivery services" means the collection, transport, and delivery of documents, printed matter, parcels, goods, or other items on an expedited basis while tracking and maintaining control of these items throughout the supply of the service.

<sup>16</sup> For greater certainty, Korea reserves the right to adopt or maintain any measure with respect to:

(a) the supply of support services to postal offices by military service personnel or other personnel of the equivalent status, and

(b) the Minister of Science and ICT's determination of the total number of vehicles that may belong to the Ministry of Science and ICT and allocation of the vehicles to postal offices, not needing authorisation from the Minister of Land, Infrastructure and Transport.

<sup>17</sup> However, Article 3 of the *Enforcement Decree of the Postal Service Act* allows private couriers to operate commercial document services, which include a) unsealed freight-attached documents or dispatch notes, b) trade-related documents, c) foreign capital or technology-related documents, and d) foreign exchange or its related documents.



Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>	
<p>The commitment shall not be construed to include the right to operate transport services under one's own responsibility for hire.</p> <p>The commitment shall not include, under any circumstance, the grant of air traffic rights to courier operators with own Air Operator's Certificate (AOC) and aircraft fleet.</p>				

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>C. <u>Telecommunication Services</u></p> <ul style="list-style-type: none"> <li>a. Voice telephone services</li> <li>b. Packet-switched data transmission services</li> <li>c. Circuit-switched data transmission services</li> <li>d. Telex services</li> <li>e. Telegraph services</li> <li>f. Facsimile services</li> <li>g. Private leased circuit services</li> <li>o. Other</li> </ul> <p>Digital cellular services            Paging services            PCS (personal communications services)            TRS (trunked radio system) services            Mobile data services            IAS (Internet access services)            VoIP (Voice over Internet protocol) services connected to the PSTN (public switched telephone network)</p>	<p>1) The provision of all services is subject to commercial arrangements with licensed Korean service suppliers.</p> <p>No later than the date this Agreement enters into force, Korea shall permit cross-border supply of television and radio signals transmission services through satellite facilities<sup>18</sup> without commercial arrangements.</p> <ul style="list-style-type: none"> <li>2) None</li> <li>3) A license for facilities-based public telecommunications services or a registration for non-facilities based public telecommunications services shall be granted only to a juridical person organised under Korean law.</li> </ul> <p>A foreign government or its representative, or a foreign person may not obtain or hold a radio station license.</p> <p>A license for facilities-based public telecommunications services shall not be granted to or held by a juridical person organised under Korean law in which a foreign government, foreign person, or deemed foreign person<sup>19</sup> holds in the aggregate more than 49 percent of the juridical person's total voting shares.</p>	<ul style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> </ul>	

<sup>18</sup> These services are defined as the network services to construct contribution links between broadcasting operators necessary for the transmission of television or radio signals only by satellite. Therefore, the services cover selling use of satellite facilities, but do not include the selling of television or radio programme packages via satellite to the general public. The services do not include domestic links (the transmission of those signals from the domestic territory to the domestic territory by satellite).

<sup>19</sup> "Deemed foreign person" means a juridical person organised under Korean law in which a foreign government or a foreign person (including a "specially related person" under relevant Korean law) is the largest shareholder and holds 15 percent or more of that juridical person's total voting shares, but does not include a juridical person that holds less than one percent of the total voting shares of a facilities-based supplier of public telecommunications services.

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>A foreign government, a foreign person, or a deemed foreign person may not in the aggregate hold more than 49 percent of the total voting shares of a facilities-based supplier of public telecommunications services.</p> <p>A foreign government, a foreign person, or a deemed foreign person may not be the largest shareholder of KT Corporation(KT), except if it holds less than 5 percent of the total voting shares of KT.</p> <p>No later than the date this Agreement enters into force, Korea shall permit:</p> <p>(a) a deemed foreign person to hold up to 100 percent of the total voting shares of a facilities-based supplier<sup>20</sup> of public telecommunications services organised under Korean law, other than KT and SK Telecom Co., Ltd.; and</p> <p>(b) a facilities-based supplier of public telecommunications services organised under Korean law in which a deemed foreign person holds up to 100 percent of its total voting shares to obtain or hold a license for facilities-based public telecommunications services.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>		<p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

<sup>20</sup> “Facilities-based supplier” is a supplier that owns transmission facilities. “Non-facilities-based supplier” is a supplier that does not own transmission facilities (but may own a switch, router or multiplexer) and supplies its public telecommunications services through transmission facilities of a licensed facilities-based supplier. “Transmission facilities” means wireline or wireless transmission facilities (including circuit facilities) that connect transmitting points with receiving points.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Value-added Services<sup>21</sup>:</p> <ul style="list-style-type: none"> <li>h. Electronic mail</li> <li>i. Voice mail</li> <li>j. On-line information and data base retrieval</li> <li>k. Electronic data interchange</li> <li>l. Enhanced/value-added facsimile services including store and forward, store and retrieve</li> <li>m. Code and protocol conversion</li> <li>n. On-line information and/or data processing (including transaction processing)</li> <li>o. Other</li> </ul> <p>On-line data base and remote computing services<sup>22</sup></p>	<ul style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ul>	<ul style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ul>	<p>Value-added service providers are allowed to supply data transmission services<sup>23</sup>.</p>

<sup>21</sup> "Value-added services" means telecommunication services, which are provided through telecommunications network facilities leased from facilities-based suppliers, and which store and forward, or process and forward, the customer's information.

<sup>22</sup> On-line data base and remote computing services do not cover telecommunication services which mediate third party communications.

<sup>23</sup> Telecommunication services which transmit and/or exchange the customer's data without change in the form or content (voice telephony, telex, facsimile services and simple resale of leased circuits are excluded).

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Telecommunication related services</u> a. Equipment rental services (CPC 7541) b. Wholesale and retail trade services of telecommunication terminal equipment (CPC 7542**)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
3. CONSTRUCTION SERVICES (CPC 511-518)	1) Unbound* except for CPC 5111 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	1) Unbound* except for CPC 5111 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section.	
4. DISTRIBUTION SERVICES <sup>24</sup>			
A. <u>Commission Agents' Services</u> (CPC 621, excluding 62111, 62112 and commission agents' services of future contracts)	1) Unbound for pharmaceuticals and medical goods 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

<sup>24</sup> Excluding the following services:

- (a) trade in firearms, swords, and explosives;
- (b) works of art and antiques; and
- (c) the establishment and operation of, and distribution services at:

(i) public wholesale markets for agricultural, fishery and livestock products, which are officially designated by the local authorities as public wholesale markets;

(ii) joint wholesale markets which are established and operated by producers' organisations or public interest corporations prescribed in the *Presidential Decree of the Act on Distribution and Price Stabilization of Agricultural and Fishery Products*; and

(iii) livestock markets which are established and operated by the Livestock Cooperatives under the *Agriculture and Cooperative Act*.

For greater certainty, Korea reserves the right to adopt or maintain any measure with respect to the administration of the WTO Tariff-Rate-Quota.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B. <u>Wholesale Trade Services</u> (CPC 6111, 622**, excluding grain in 62211, 62223, and red ginseng)<sup>25</sup></p>	<p>1) Unbound for pharmaceuticals, medical goods, functional foods, and items subject to limitations under Mode 3</p> <p>2) None</p> <p>3) Following services are subject to an economic needs test:</p> <p>(a) wholesale trade of used cars, and</p> <p>(b) wholesale trade of gaseous fuels and related products.</p> <p>Main criteria: Formation of reasonable prices, the number of and impact on existing suppliers for balance of demand and supply, healthy development of the industry, and establishment of orderly trade. In addition, population density, traffic, environmental pollution, local conditions, and other local characteristics as well as public interests.</p> <p>A person that supplies alcoholic beverages wholesale distribution services must obtain authorisation from the head of the relevant tax office, which is subject to an economic needs test.</p> <p>The Minister of Health and Welfare controls the supply and demand of the wholesale distribution of imported designated <i>han-yak-jae</i> (Asian medicinal herbs).</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

<sup>25</sup> Wholesale trade of natural gas is to be found under “All Sectors – Gas Industry” in the Schedule of Specific Commitments in Establishment.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>C. <u>Retailing Services</u> (CPC 61112, 61130, 61210, 613** (excluding retail trade and gas station business related to LPG), 631** (excluding tobacco, rice and red ginseng), 632)</p>	<p>1) Unbound for pharmaceuticals, medical goods, functional foods, and items subject to limitations under Mode 3</p> <p>2) None</p> <p>3) Retailing services for used cars and gaseous fuels are subject to an economic needs test. Main criteria: the number of and impact on existing domestic suppliers, the population density, traffic, environmental pollution, local conditions, and other local characteristics as well as public interests.</p> <p>The sale of alcoholic beverages by telephone or in electronic commerce is prohibited.</p> <p>Only a natural person that is a licensed <i>an-gyung-sa</i> (optician or optometrist) that has established an office in Korea may engage in optician or optometry services.</p> <p>Only a licensed <i>an-gyung-sa</i> (optician or optometrist) may establish an office for operations, and may not establish more than one office per an <i>an-gyung-sa</i>.</p> <p>A person that supplies pharmaceutical product retail distribution services (including distribution of <i>han-yak-jae</i> (Asian medicinal herbs)) may not establish more than one pharmacy nor establish in the form of a corporation.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Retail trade and gas station business related to LPG</u>	1) Unbound 2) Unbound 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
D. Franchising (CPC 8929**)26	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

<sup>26</sup> Franchising services are limited to those items which are allowed under Wholesale Trade Services and Retailing Services in this Schedule.



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
5. EDUCATIONAL SERVICES <sup>27</sup>			
<p>C. <u>Higher Education Services</u><sup>28</sup> (CPC 923**) Higher education services provided by private higher educational institutions, which have obtained recognition from the government or public accreditation bodies, for the purpose of conferring degrees</p> <p>Excluding :</p> <p>(i) health and medicine-related higher education;</p> <p>(ii) higher education for prospective pre-primary, primary and secondary teachers;</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) Only non-profit school juridical persons<sup>29</sup>, established under the approval by the Minister of Education, may establish educational institutions under the Minister's authorisation. Intra-company Universities do not need to establish a school juridical person.</p> <p>Only the types of educational institutions listed in Attachment I are allowed.</p> <p>In the Seoul Metropolitan Area<sup>30</sup>, the new establishment, extension, or transfer of a higher education institution other than Intra-company Universities may be restricted.</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) At least 50 percent of the members of the board of directors of a private higher education institution must be Korean nationals. If a foreign person or a foreign juridical person contributes at least 50 percent of the basic property<sup>31</sup> of a higher education institution, less than two thirds of the members of the board of directors of such an institution may be foreign nationals.</p>	

<sup>27</sup> Specific commitments on market access and national treatment through any mode of supply shall not be construed to apply to the recognition of university degrees for the purpose of admission, registration and qualification for professional practice in Korea.

<sup>28</sup> Types of higher education institutions are listed in Attachment I concerning Higher Education Services.

<sup>29</sup> "School juridical person" means a non-profit juridical person established solely for the purpose of establishing a regular educational institution in accordance with pertinent education-related laws.

<sup>30</sup> "Seoul Metropolitan Area" means the Seoul Metropolitan City, the Incheon Metropolitan City, and the Gyeonggi Province.

<sup>31</sup> "Basic property" means real estate, property designated as basic property by the articles of association, property incorporated into the basic property according to decisions of the board of directors, and the annual budgetary surplus reserve of the institution.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(iii) professional graduate education in law; and</p> <p>(iv) universities via broadcasting and communications, and cyber universities.</p>	<p>Local higher education institutions may jointly operate curricula only with higher education institutions established under Korean law, or with foreign higher education institutions that have obtained accreditation from foreign governments or authorised accreditation bodies.</p> <p>The Minister of Education may restrict the total number of students per year in the fields of medicine, pharmacology, veterinary medicine, traditional Asian medicine, medical technicians, and higher education for pre-primary, primary, and secondary teachers, and the total number of higher education institutions located in the Seoul Metropolitan Area.</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Adult Education Services</u><sup>32</sup> (CPC 924**)</p> <p>Adult Education Services provided by private adult educational institutions</p> <p>Excluding :</p> <p>(i) education services which recognize education qualifications, or confer, or are linked with, local or foreign credits, degrees or diplomas;</p> <p>(ii) vocational training services financially supported by the government in accordance with the <i>Employment Insurance Act, the Worker's Vocational Competency Development Act</i> and the <i>Seafarers' Act</i>;</p> <p>(iii) educational services via broadcasting; and</p>	<p>1) Unbound for health and medicine-related adult education services</p> <p>2) None</p> <p>3) The types of adult education institutions that a foreign person may establish in Korea are limited to:</p> <p>(a) <i>hag-won</i> (private teaching institutes for adults)<sup>33</sup> related to lifelong and vocational education; and</p> <p>(b) lifelong adult education facilities operated for purposes other than recognizing educational qualifications or conferring diplomas, which are:</p> <p>(i) annexed to workplaces, non-governmental organisations, schools and media organisations;</p> <p>(ii) related to the development of knowledge and human resources; or</p> <p>(iii) related to on-line lifelong education facilities,</p> <p>all of which are established for adults.</p>	<p>1) Unbound for health and medicine-related adult education services</p> <p>2) None</p> <p>3) None</p>	

<sup>32</sup> Types of adult education institutions are listed in Attachment II concerning Adult Education Services.

<sup>33</sup> For purposes of this limitation, "*hag-won* (private teaching institutes for adults)" are facilities that provide tutoring services on subjects related to lifelong or vocational education to ten people or more for a period of 30 days or longer.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(iv) vocational training services provided by institutions under authority delegated by the government.	<p>In the Seoul Metropolitan Area, the new establishment, extension, or transfer of adult training facilities that equal or exceed 3,000 square meters in total floor area may be restricted.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>A foreign national hired by <i>hag-won</i> for adults as a lecturer must possess at least a bachelor's degree or the equivalent, and reside in Korea.</p>	
6. ENVIRONMENTAL SERVICES			
Regarding services under CPC 9403 and CPC 9406 other than those within sectors or sub-sectors inscribed in the following sectoral commitments, the obligation of Articles 7.6 and 7.12(NT) applies to the modes 1 through 3 of supply of those services pursuant to a contract between private parties, to the extent private supply of such services is permitted under relevant laws and regulations. For greater certainty, the obligation of Articles 7.5 and 7.11(MA) does not apply to such services.			
A. <u>Sewage Services</u> Collection and treatment services of industrial waste water (CPC 9401**)	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
Collection and treatment services of non-industrial waste water (CPC 9401**)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section.</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) No later than the date this Agreement enters into force, Korea shall grant non-discriminatory treatment to service suppliers of the United Kingdom in competition procedures for management contracts related to non-industrial waste water services.</li> </ol> <p>Notwithstanding the previous paragraph, provision of the services at central or local level may be subject to public monopoly or exclusive rights granted to private operators through, for instance, concession contracts.</p> <p>Public authorities retain the possibility to:</p> <ol style="list-style-type: none"> <li>(a) apply exclusive rights;</li> <li>(b) choose freely management arrangements for the services;</li> <li>(c) choose the mode of attribution of the exclusive rights (open competition or not); and</li> <li>(d) change from one mode of management to another (for instance, to return to a public monopoly at the end of a concession contract).</li> </ol> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. <u>Refuse Disposal Services</u> Industrial refuse disposal services (CPC 9402**) <sup>34</sup>	1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
C. <u>Other</u> Cleaning services of exhaust gases and noise abatement services (CPC 9404, 9405)  Environment testing and assessment services (CPC 9406**, 9409**) <sup>35</sup>  Soil remediation and groundwater purification (CPC 9406**)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section  1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
Environment consulting services (CPC 9409**)	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	

<sup>34</sup> 9402\*\*: Only collection, transport, and disposal services of industrial refuse under CPC 9402.

<sup>35</sup> 9406\*\*, 9409\*\*: Only environmental impact assessment services under CPC 9406 and 9409.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence 4) Presence of natural persons
<b>7. FINANCIAL SERVICES</b>			
<i>Headnotes: All financial services are subject to the following provisions.</i>			
<ol style="list-style-type: none"> <li>1. To clarify the commitment of Korea with respect to Article 7.11, juridical persons supplying financial services and constituted under the laws of Korea are subject to non-discriminatory limitations on juridical form.<sup>36</sup></li> <li>2. The commitments of Korea under Articles 7.11 and 7.12 are subject to the limitation that in order to establish or acquire a controlling interest in a financial service supplier in Korea, a foreign investor must own or control a financial service supplier that engages in supplying financial services within the same financial services sub-sector in its home country.</li> <li>3. For greater certainty, nothing in this Agreement limits Korea's ability to require the chief executive officer of a financial service supplier established under its laws to reside within its territory.</li> <li>4. Even if Korea permits persons located in its territory, and its nationals wherever located, to purchase financial services from cross-border financial service suppliers of the other Party located in the territory of the other Party, such permission will not mean that Korea is required to permit such suppliers to do business or engage in solicitation in the territory of Korea. Korea may define "doing business" and "solicitation" for purposes of this obligation, provided that those definitions are not inconsistent with the commitments regarding cross-border supply of financial services undertaken by Korea.</li> <li>5. Without prejudice to other means of prudential regulation on cross-border supply of financial services, Korea may require the registration or authorisation of cross-border financial service suppliers of the other Party and of financial instruments. Korea may require a cross-border financial service supplier of the other Party to provide information, solely for informational or statistical purposes, on the financial services it has supplied within the territory of Korea. Korea will protect such business information that is confidential from any disclosure that would prejudice the competitive position of the supplier.</li> <li>6. The Parties confirm that the following entities, as currently structured, are covered by Chapter Seven, but that they shall not be considered financial service suppliers for purposes of that Chapter<sup>37</sup>: Korea Deposit Insurance Corporation (KDIC), Export-Import Bank of Korea, Korea Trade Insurance Corporation, Korea Technology Credit Guarantee Fund, Credit Guarantee Fund, Korea Asset Management Corporation (KAMCO), Korea Investment Corporation (KIC), the National Agricultural Cooperative Federation, and the National Federation of Fisheries Cooperatives<sup>38</sup>.</li> </ol>			

<sup>36</sup> This headnote is not itself intended to affect, or otherwise limit, a choice by a financial service supplier of the other Party between branches or subsidiaries.

<sup>37</sup> For greater certainty, Chapter Seven does not apply to measures adopted or maintained by Korea relating to the entities specified in this paragraph.

<sup>38</sup> For greater certainty, the National Agricultural Cooperative Federation and the National Federation of Fisheries Cooperatives are not considered financial service suppliers, for purposes of this paragraph, which includes the provision of insurance services. Notwithstanding the headnote above, the National Agricultural Cooperative Federation and the National Federation of Fisheries Cooperatives are considered to be financial service suppliers covered by Chapter Seven with regard to the provision of banking and other financial services that are regulated by the FSC.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
7. Korea may grant	<p>(a) to one or more of the following financial service suppliers(collectively, Government-Sponsored Institutions or GSIs):</p> <ul style="list-style-type: none"> <li>- The Korea Development Bank;</li> <li>- Industrial Bank of Korea;</li> <li>- Korea Housing Finance Corporation;</li> <li>- The National Agricultural Cooperative Federation; and</li> <li>- The National Federation of Fisheries Cooperatives.</li> </ul> <p>(b) special treatment, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>- Guarantees of loans to or bonds issued by the GSIs;</li> <li>- Permission to issue more bonds per capital than similarly-situated non-GSIs;</li> <li>- Reimbursement of losses incurred by GSIs;</li> <li>- Exemption from certain taxes on capital, surplus, profit, or assets.</li> </ul>		
8. Chief and deputy executive officers and all members of the Board of Directors of the Korea Housing Finance Corporation, the National Agricultural Cooperative Federation and the National Federation of Fisheries Cooperatives must be Korean nationals.			
9. Korea reserves the right not to consider any "compulsory" third-party insurance service supplied in the territory of a foreign country to a natural person in Korea or a juridical person established therein, in determining whether such a natural or juridical person has satisfied a legal obligation to purchase such "compulsory" third party insurance service not listed in this Schedule. However, services supplied outside the territory of Korea may be considered in satisfaction of the legal obligation if the required insurance cannot be purchased from an insurer established in Korea.			
10. In the context of privatising government-owned or government-controlled entities that supply financial services, Korea reserves the right to adopt or maintain any measure relating to the continued guarantee, or time-limited additional guarantee, of the obligations and liabilities of these entities.			
11. Korea reserves the right to limit ownership by foreign investors of the Korea Exchange and the Korea Securities Depository. In the event of public offering of shares of the Korea Exchange or the Korea Securities Depository, Korea reserves the right to limit shareholding by foreign persons in the relevant institution, provided that Korea shall ensure that:	<p>(a) any shareholding interests held by foreign persons at the time of the public offering shall be preserved; and</p> <p>(b) following the public offering, the Korea Exchange or the Korea Securities Depository shall assure access for financial service suppliers of the United Kingdom which are established in Korea's territory, and regulated or supervised under the laws of Korea.</p>		



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. Insurance and Insurance-related Services <sup>39</sup>	<p>1) Unbound except for</p> <p>(a) insurance of risks relating to:</p> <p>(i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability arising therefrom; and</p> <p>(ii) goods in international transit;</p> <p>(b) reinsurance and retrocession;</p> <p>(c) services auxiliary to insurance, such as consultancy, risk assessment, actuarial and claim settlement services; and</p> <p>(d) insurance intermediation, such as brokerage and agency, of insurance of risks related to services listed in (a) and (b) above.</p> <p>2) Unbound except for</p> <p>(a) insurance of risks relating to:</p>	<p>1) Unbound except for</p> <p>(a) insurance of risks relating to:</p> <p>(i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability arising therefrom; and</p> <p>(ii) goods in international transit;</p> <p>(b) reinsurance and retrocession;</p> <p>(c) services auxiliary to insurance, such as consultancy, risk assessment, actuarial and claim settlement services; and</p> <p>(d) insurance intermediation, such as brokerage and agency, of insurance of risks related to services listed in (a) and (b) above.</p> <p>2) Unbound except for</p> <p>(a) insurance of risks relating to:</p>	

<sup>39</sup> “Consultancy” means activities such as providing advice on corporate strategy formulation, marketing strategy, or product development strategy. “Risk assessment” means activities such as risk analysis, risk prevention, or expert advice related to difficult or unusual risks.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability arising therefrom; and</p> <p>(ii) goods in international transit;</p> <p>(b) reinsurance and retrocession;</p> <p>(c) services auxiliary to insurance, such as consultancy, risk assessment, actuarial and claim settlement services.</p> <p>In determining whether a natural person resident in Korea or juridical persons established in Korea has satisfied a legal obligation to purchase, certain prescribed “compulsory” insurance services, any such service supplied in the territory of a foreign country to such person is not considered.</p> <p>However, services supplied outside the territory of Korea may be considered in satisfaction of the legal obligation if the required insurance cannot be purchased from an insurer established in Korea.</p> <p>3) Only two employees of a commercial bank, mutual saving bank, or securities company may sell insurance products at any one time at a single location. For transparency purposes, the manner of sales of insurance products such as the number of</p>	<p>(i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability arising therefrom; and</p> <p>(ii) goods in international transit;</p> <p>(b) reinsurance and retrocession;</p> <p>(c) services auxiliary to insurance, such as consultancy, risk assessment, actuarial and claim settlement services.</p> <p>In determining whether a natural person resident in Korea or juridical persons established in Korea has satisfied a legal obligation to purchase, certain prescribed “compulsory” insurance services, any such service supplied in the territory of a foreign country to such person is not considered.</p> <p>However, services supplied outside the territory of Korea may be considered in satisfaction of the legal obligation if the required insurance cannot be purchased from an insurer established in Korea.</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>windows in a single bank location devoted to the sale of insurance will be restricted, and limitations will be imposed on the percentage of insurance sold by a bank that may be underwritten by a single insurer.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section.</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section.</p>	
B. Banking and Other Financial Services			
	<p>1) Unbound except for :</p> <p>(a) the provision and transfer of financial information<sup>40</sup>; and</p> <p>(b) the provision and transfer of financial data processing and related software relating to banking and other financial services.</p>	<p>1) Unbound except for :</p> <p>(a) the provision and transfer of financial information; and</p> <p>(b) the provision and transfer of financial data processing and related software relating to banking and other financial services.</p>	

<sup>40</sup> For greater certainty, “financial information” referred to in this section does not include general financial or business information that is included within a general circulation publication or provided for a general audience.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(c) advisory and other auxiliary services, excluding intermediation. This commitment applies to the supply of credit rating, credit reference and investigation, general fund administration, indirect investment vehicle appraisal, and bond appraisal with regard to securities issued in Korea only to the extent that Korea allows the supply of these services. This commitment does not apply to (i) credit rating of enterprises in Korea; or (ii) credit reference and investigation undertaken for purposes of lending and other financial transactions in Korea with respect to individuals or companies in Korea. Once Korea allows the supply of certain of these services, it may not subsequently prohibit or limit the supply of such services.</p> <p>2) A resident of Korea, including a natural person who is resident in Korea, a financial institution constituted under the laws of Korea and a branch of offshore financial institution, may enter into offshore futures, options, and certain forward contracts only through a futures company licensed in Korea.</p> <p>3) The following types of business may not be conducted by a branch of a financial service supplier constituted under the laws of another country:</p>	<p>(c) advisory and other auxiliary services, excluding intermediation. This commitment applies to the supply of credit rating, credit reference and investigation, general fund administration, indirect investment vehicle appraisal, and bond appraisal with regard to securities issued in Korea only to the extent that Korea allows the supply of these services. This commitment does not apply to (i) credit rating of enterprises in Korea; or (ii) credit reference and investigation undertaken for purposes of lending and other financial transactions in Korea with respect to individuals or companies in Korea. Once Korea allows the supply of certain of these services, it may not subsequently prohibit or limit the supply of such services.</p> <p>2) A resident of Korea, including a natural person who is resident in Korea, a financial institution constituted under the laws of Korea and a branch of foreign financial institution, may enter into offshore futures, options, and certain forward contracts only through a futures company licensed in Korea.</p> <p>3) A financial institution constituted under the laws of another country may own more than 10 percent of the shares of a commercial bank or bank holding company constituted under the laws of Korea only if that institution is an “internationally recognized financial institution”<sup>41</sup>,</p>	

<sup>41</sup> “Internationally recognized financial institution” includes any financial institution that has been rated by an international rating organisation at a level acceptable to the relevant Korean regulator or a financial institution that has demonstrated by alternative means acceptable to the relevant Korean regulator that it has an equivalent status.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(a) credit unions;</p> <p>(b) mutual savings banks;</p> <p>(c) specialized capital finance companies;</p> <p>(d) merchant banks;</p> <p>(e) foreign and won currency capital brokerage firms;</p> <p>(f) credit information companies;</p> <p>(g) general fund administration firms;</p> <p>(h) indirect investment vehicle appraisal companies; and</p> <p>(i) bond appraisal companies.</p> <p>A non-financial institution that seeks to offer certain electronic financial services in Korea may be established only as a subsidiary.</p> <p>Interbank brokerage of KRW (Korean won) spot transactions is limited to the two existing brokerage companies in the business.</p> <p>Only the Korea Exchange may operate a securities or futures market in Korea.</p> <p>Only the Korea Securities Depository may serve as the depository for listed and unlisted securities issued in Korea or as the intermediary for transfer of those securities between accounts of securities companies in Korea.</p>	<p>For purposes of transparency:</p> <p>(a) the Financial Services Commission applies additional criteria for approval that are not inconsistent with this Agreement to approval of ownership by an internationally recognized financial institution.</p> <p>(b) a natural person may not own more than 10 percent of the shares of a commercial bank or bank holding company constituted under the laws of Korea.</p> <p>(c) a corporate entity other than a financial institution, the main business of which is not financial services, may not own more than 4 percent of the shares of a commercial bank or bank holding company constituted under the laws of Korea. The ownership percentage can be increased to 10 percent if the corporate entity waives its ability to exercise voting rights relating to the shares in excess of 4 percent.</p> <p>Each branch location in Korea of a bank constituted under the laws of another country requires a separate license. A branch of a banking subsidiary, including one owned or controlled by investors of another country does not require such a license.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Only the Korea Securities Depository and the Korea Exchange may perform liquidation and settlement of securities and derivatives listed or traded on the Korea Exchange.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section.</p>	<p>A branch in Korea of a bank or a securities company constituted under the laws of another country must bring and maintain operating funds within Korea, which shall be used for purposes of determining the amount of funds to be raised or loans to be extended by such local branch. For purposes of the <i>Banking Act</i> and the <i>Securities and Exchange Act</i>, such a branch is considered a separate legal entity from the bank or the securities company constituted under the laws of another country.</p> <p>Korea may limit the number of financial institutions designated to hold housing accounts, such as the National Housing Subscription Deposit Accounts.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section.</p>	
9. TOURISM AND TRAVEL RELATED SERVICES			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. <u>Hotels and Restaurants</u> (CPC 641, 6431**) excluding rail and air transport related facilities in CPC 6431</p> <p>Food serving services (CPC 642)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) Unbound except for air transport related facilities</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) Unbound except for air transport related facilities</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>B. <u>Travel Agencies and Tour Operators Services</u> (CPC 7471)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>C. <u>Tourist Guides Services</u> (CPC 7472)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>10. RECREATIONAL, CULTURAL AND SPORTING SERVICES</p>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>A. <u>Entertainment Services</u> (CPC 96191, 96192)</p> <p>Entertainment services provided by individual artists or groups, such as musical, theatre, live band, opera, etc.</p>	<p>1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>B. <u>News Agency Services</u> (CPC 962)</p>	<p>1) A <i>news-tong-sin-sa</i> (news agency) organised under foreign law may supply <i>news-tong-sin</i> (news communications) in Korea only under a contract with a news agency organised under Korean law which has a radio station license, such as Yonhap News.</p> <p>2) None</p> <p>3) A foreign news agency may establish a branch or office in Korea for the sole purpose of collecting news. For greater certainty, such branch or office may not distribute <i>news-tong-sin</i> (news communications) in Korea.</p>	<p>1) None</p> <p>2) None</p> <p>3) The following persons may not serve as a <i>dae-pyo-ja</i> (for example, a chief executive officer, president, or similar principal senior officer) or editor of a news agency, or serve as <i>im-won</i> (a member of the board of directors) of Yonhap News or the News Agency Promotion Committee: (a) a foreign national; or (b) a Korean national not domiciled in Korea.</p>	



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>The following persons may not supply news agency services in Korea:</p> <ul style="list-style-type: none"> <li>(a) a foreign government;</li> <li>(b) a foreign person;</li> <li>(c) an enterprise organised under Korean law whose <i>dae-pyo-ja</i> (for example, a chief executive officer, president, or similar principal senior officer) is not a Korean national or is a person not domiciled in Korea; or</li> <li>(d) an enterprise organised under Korean law in which a foreign person holds 25 percent or more equity interests.</li> </ul> <p>The following persons may not obtain a radio station license:</p> <ul style="list-style-type: none"> <li>(a) a foreign national;</li> <li>(b) a foreign government or its representative; or</li> <li>(c) an enterprise organised under foreign law.</li> </ul> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
E. <u>Recreation park services</u> (CPC 96491 excluding CPC 96191, 96192 and beach services)	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
11. TRANSPORT SERVICES			



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
Maritime cargo handling services	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Storage and warehouse services in ports (CPC 742***)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Customs clearance service	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Maritime agency services	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Container station and depot services	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maritime freight forwarding services (CPC 748**) <sup>42</sup>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Shipping brokerage services (CPC 748**, 749**) <sup>43</sup>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Maintenance and repair of vessels <sup>44</sup> (CPC 8868)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Rental of vessels with crew (CPC 7213)	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>42</sup> Freight forwarding services by vessels in the name of the forwarder (including any foreign forwarders under contract) under CPC 748.

<sup>43</sup> 748\*\*, 749\*\*: Brokerage services for maritime cargo transport or for the chartering, leasing, purchasing or selling of vessels under CPC 748 and 749.

<sup>44</sup> Services, such as repair and management of vessels, management of crew, and marine insurance, provided on behalf of a maritime passenger transport business, maritime cargo transport business or vessel leasing business.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Pushing and towing services (CPC 7214)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Tally, measuring and survey services (CPC 745**) <sup>45</sup>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
C. <u>Air Transport Services</u> <sup>46</sup>			
Computer reservation system (CRS) services	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Selling and marketing of air transport services	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
Maintenance and repair of aircraft (part of CPC 8868)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>45</sup> Tally, measuring and survey services only apply to the maritime transport sector.

<sup>46</sup> As defined in the GATS Annex on Air Transport Services.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Rental of aircraft, with crew (CPC 734) <sup>47</sup>	<p>1)2) Aircraft used by a Korean air carrier has to be registered in Korea. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control. By exception, aircraft registered in the United Kingdom may be leased by an air carrier of the United Kingdom to a Korean air carrier in specific circumstances for the Korean air carrier's exceptional needs, seasonal capacity needs, or needs to overcome operational difficulties, which cannot reasonably be satisfied through leasing aircraft registered within Korea, and subject to obtaining the approval of a limited duration from Korea.</p> <p>3) Aircraft used by a Korean air carrier has to be registered in Korea. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control. Aircraft must be operated by an air carrier owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) 2) Aircraft used by a Korean air carrier has to be registered in Korea. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control. By exception, aircraft registered in the United Kingdom may be leased by an air carrier of the United Kingdom to a Korean air carrier in specific circumstances for the Korean air carrier's exceptional needs, seasonal capacity needs, or needs to overcome operational difficulties, which cannot reasonably be satisfied through leasing aircraft registered within Korea, and subject to obtaining the approval of a limited duration from Korea.</p> <p>3) Aircraft used by a Korean air carrier has to be registered in Korea. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control. Aircraft must be operated by an air carrier owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	

<sup>47</sup> This service is limited to wet-lease service.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
Ground-handling services	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) Unbound</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) None</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
<b>E. Rail Transport Services</b> a. Passenger transportation (CPC 7111) b. Freight transportation (CPC 7112)	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) Unbound for existing operations. Establishment of new operations are subject to an economic needs test. Main criteria: establishment of order and discipline in the railroad industry.</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound*</li> <li>2) None</li> <li>3) Unbound</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
c. Maintenance and repair of rail (part of CPC 8868) <sup>48</sup> d. Services auxiliary to rail transport services (part of CPC 741, CPC 7113) <sup>49</sup>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) None</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	
<b>F. Road Transport Services</b> a. Transportation of containerized freight excluding cabotage (CPC 71233**)	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) Licenses are granted only to international shipping companies.</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	<ol style="list-style-type: none"> <li>1) Unbound</li> <li>2) None</li> <li>3) Cargoes are confined to containerized cargoes to be exported or imported.</li> <li>4) Unbound except as indicated in the Horizontal Commitments section</li> </ol>	

<sup>48</sup> Commitments on maintenance and repair services of rail only apply to the privately owned rail facilities.

<sup>49</sup> Commitments on services auxiliary to rail transport services only apply to the privately owned rail facilities.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

<b>Sector or Sub-sector</b>	<b>Limitations on Market Access</b>	<b>Limitations on National Treatment</b>	<b>Additional Commitments</b>
<p>b. Rental of non-scheduled services of buses with operators (CPC 71223)</p> <p>c. Maintenance and repair of road equipment (part of CPC 8867, part of CPC 6112)</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) Unbound</p> <p>2) None</p> <p>3) Establishment of a commercial presence is subject to an economic needs test.</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p> <p>1) Unbound</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>G. <u>Pipeline Transport</u> (CPC 7131**)   Only the transportation of oil products, excluding the transportation of LPG<sup>50</sup></p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>H. <u>Services Auxiliary to all Modes of Transport</u></p> <p>b. Storage and warehouse services other than those in ports (CPC 742**)   Excluding services for agricultural, fishery and livestock products</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	
<p>I. Other Transport Services   COMBINED   TRANSPORT SERVICES</p>			

<sup>50</sup> Pipeline transport of natural gas is to be found under "All Sectors – Gas Industry" in the Schedule of Specific Commitments of Establishment.



Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Freight forwarding for rail transport <sup>51</sup>	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
12. OTHER SERVICES NOT INCLUDED ELSEWHERE			
b. Hairdressing and other beauty services (CPC 9702)	1) None 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section	1) None 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section	

<sup>51</sup> “Freight forwarding for rail transport” means auxiliary services to be carried out at the ends of railway transport which include collecting containerized cargoes, contracting with the Korea Railroad Corporation for transport of the freight on trains, and loading/unloading and delivery of freight.

## **ATTACHMENT I**

### **(Higher Education Services)**

The types of higher educational institutions are as follows:

1. Junior Colleges: higher educational institutions which offer a 2-3 year curriculum and confer an associate degree, in accordance with the *Higher Education Law*.
2. Universities: higher educational institutions which offer a 4-6 year curriculum and confer a bachelor's degree, in accordance with the *Higher Education Law*.
3. Industrial Universities: higher educational institutions which offer education on the knowledge and skills needed for an industrial society, and confer a bachelor's degree, in accordance with the *Higher Education Law*.
4. Technical Colleges: higher educational institutions which offer a 2 year curriculum to train expert manpower, and confer associate degrees and bachelor's degrees, in accordance with the *Higher Education Law*.
5. Intra-company Universities: higher educational institutions which are established and operated by employers to educate employees, and confer degrees or diplomas equivalent to those of Junior Colleges or Universities, in accordance with the *Lifelong Education Act*.

## ATTACHMENT II

### (Adult Education Services)

The types of adult education institutions are as follows:

1. *Hag-won*(private teaching institutes for adults) are facilities that provide tutoring services on the following subjects related to lifelong or vocational education to ten people or more for a period of 30 days or longer in accordance with the *Establishment and Operation of Private Teaching Institutes and Extracurricular Lessons Act*. Excluded are schools, libraries, museums, workplace facilities that provide education services to employees, lifelong education facilities in accordance with the *Lifelong Education Act*, and driving schools.
  - (a) Industrial infrastructure technology: machinery, automobile, metal, chemicals and ceramics, electronics, telecommunications, electronics, shipbuilding, aviation, civil engineering, textile and apparels, mining resources, land development, agriculture and forestry, oceanic industry, energy, crafts, environment, transportation, and safety management
  - (b) Applied industrial technology: design, hair and cosmetology, food and beverage, packaging, printing, photography, and piano tuning
  - (c) Industrial services: stenography, computable accounting, e-commerce, job consulting, social survey, convention planning, consumer consulting, and telemarketing
  - (d) General services: pet grooming, funeral service, hospice, flight crew, and hospital coordinators
  - (e) Computer: computers, games, robots, data processing, telecommunications equipment, the Internet, and software
  - (f) Culture and tourism: publishing, imaging and recording, film, broadcasting, character products, and tourism
  - (g) Nursing assistant: nursing assistant
  - (h) Management and office work: finance, insurance, distribution, real estate, secretary service, accounting, pen writing, bookkeeping, abacus, mental arithmetic, and speed-reading
  - (i) International: foreign languages for adults, interpretation, and translation
  - (j) Humanities: college transfer, public management, business management, accounting, statistics, and public service examination
  - (k) Arts: traditional Korean music, traditional dance, calligraphy, flower arrangement, floral art and crafts, cartoon, theatre arts, modelling, conversation skills, magic, applied music, vocal music, modern dance, baduk, and speech
  - (l) Reading room<sup>52</sup>: reading rooms that are not related to private institutes that teach regular curricula subjects
  
2. Lifelong education facilities are the facilities which have been approved by, registered with or notified to the Ministry of Education in accordance with the *Lifelong Education Act*. Lifelong adult education facilities refer to lifelong education facilities annexed to workplaces, NGOs, schools, and media organisations, lifelong education facilities related to the development of knowledge and human resources, and on-line lifelong education facilities, all of which are established for adults.

<sup>52</sup> A place where people go to study.

## **B. Schedule of Specific Commitments in Establishment<sup>1</sup>**

### **EXPLANATORY NOTES**

1. The list of commitments below (hereinafter referred to as “this Schedule”) indicates the economic activities liberalised pursuant to Article 7.13 and, by means of reservations, the market access and national treatment limitations that apply to establishments and investors of the United Kingdom in those activities. This Schedule is composed of the following elements:
  - (a) the first column indicating the sector or sub-sector in which the commitment is undertaken by Korea, and the scope of liberalisation to which the reservations apply;
  - (b) the second column describing the applicable reservations to Article 7.11 in the sector or sub-sector indicated in first column; and
  - (c) the third column describing the applicable reservations to Article 7.12 in the sector or sub-sector indicated in first column.
- Establishment in sectors or sub-sectors covered by this agreement and not mentioned in this Schedule is not committed.
2. Establishment in service sectors, which is already covered in Korea’s Schedule of Specific Commitments in Service Sectors, is not covered in this Schedule.
3. Measures inconsistent with both Articles 7.11 and 7.12 shall be inscribed in the column relating to Article 7.11. In this case, the inscription will be considered to provide a condition or qualification to Article 7.12 as well.<sup>2</sup>
4. Notwithstanding Article 7.11, non-discriminatory requirements as regards the types of legal form of an establishment do not need to be specified in this Schedule in order to be maintained or adopted by Korea.
5. Korea does not undertake any commitment under Articles 7.18 and 7.19 on key personnel, graduate trainees, and business service sellers in

<sup>1</sup> The limitations on key personnel, graduate trainees and business services sellers, inscribed in “1. Horizontal Commitments” of the Schedule of Specific Commitments in Services Sectors, are also applied to the Schedule of Specific Commitments in Establishment, where relevant.

<sup>2</sup> For the purposes of this paragraph, treatment provided under Article 7.12 is no less favourable than that committed in free trade agreements to which Korea is a party and which will enter into force after the signature of this Agreement.

economic activities which are not liberalised pursuant to Article 7.13.

Korea's commitments undertaken under Articles 7.18 and 7.19 on key personnel, graduate trainees, and business service sellers do not apply in cases where the intent or effect of their temporary presence is to interfere with or otherwise affect the outcome of any labour/management dispute or negotiation.

Korea may take measures affecting natural persons seeking access to the employment market of Korea and measures regarding citizenship, residence or employment on a permanent basis.

Key personnel, graduate trainees, and business service sellers whose entries and temporary stays are permitted shall observe the immigration and labour laws of Korea.

6. In identifying individual sectors and sub-sectors: **ISIC rev 3.1** means the International Standard Industrial Classification of all Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, N° 4, *ISIC REV 3.1*, 2002.

7. This Schedule does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements when they do not constitute a market access or a national treatment limitation within the meaning of Articles 7.11 and 7.12. Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and non-discriminatory requirements that certain activities may not be carried out in environmental protected areas or areas of particular historic and artistic interest), even if not listed, apply in any case to establishments and investors of the other Party.

8. In accordance with Article 7.1, this Schedule does not include measures concerning subsidies or grants provided by Korea, including government-supported loans, guarantees and insurance.

9. The rights and obligations arising from this Schedule shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p style="text-align: center;"><b><u>Acquisition of Land</u></b></p> <p>Unbound for measures with respect to the acquisition of land by foreign persons, except that a juridical person shall continue to be permitted to acquire land where the juridical person:</p> <p>(1) is not deemed foreign under Article 2 of the <i>Foreigner's Land Acquisition Act</i>, and</p> <p>(2) is deemed foreign under the <i>Foreigner's Land Acquisition Act</i> or is a branch of a foreign juridical person, subject to approval or notification in accordance with the <i>Foreigner's Land Acquisition Act</i>, if the land is to be used for any of the following legitimate business purposes:</p> <ul style="list-style-type: none"> <li>(a) ordinary business activities;</li> <li>(b) housing for senior management; or</li> <li>(c) fulfilling land-holding requirements stipulated by pertinent laws.</li> </ul> <p>Unbound for measures with respect to the acquisition of farmland by foreign persons.</p> <p style="text-align: center;"><b><u>Investment</u></b></p> <p>Unbound for measures with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities.<sup>3,4</sup></p> <p>A foreigner who intends to make a foreign direct investment shall, in advance, make report to the Minister of Trade, Industry and Energy in accordance with the Ordinance of the Minister of Trade, Industry and Energy. The same limitation shall apply to any modification of matters such as the amount of foreign direct investment and the ratio thereof.</p> <p>Unbound for measures with respect to investments in the defense industry. Foreign investors who intend to acquire the outstanding shares of defense industry other than the newly issued ones shall obtain a prior permission from the Minister of Trade, Industry and Energy.</p> <p style="text-align: center;"><b><u>Disadvantaged Groups</u></b></p> <p>Unbound for measures that accords rights or preferences to socially or economically disadvantaged groups, such as the disabled, persons who have rendered distinguished services to the state, and ethnic minorities.<sup>5</sup></p>	

<sup>3</sup> This reservation does not apply to former private enterprises that are owned by the state as a result of corporate reorganisation processes.

<sup>4</sup> For purposes of this reservation, "state enterprise" shall include any enterprise created for the sole purpose of selling or disposing of equity interests or assets of other state enterprises or governmental authorities.

<sup>5</sup> The measures for companies employing disadvantaged groups are applied in a non-discriminatory way.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p><b>State-Owned National Electronic/Information System</b></p> <p>Unbound for measures affecting the administration and operation of any state-owned electronic information system that contains proprietary government information or information gathered pursuant to the regulatory functions and powers of the government. This reservation does not apply to payment and settlement systems related to financial services.</p>	
	<p><b>Firearms, Swords, Explosives, Etc.</b></p> <p>Unbound for measures with respect to the firearms, swords, and explosives sectors, including the manufacture, use, sale, storage, transport, import, export, and possession of firearms, swords, or explosives.</p>	
	<p><b>Atomic Energy</b></p> <p>Unbound for measures with respect to the atomic energy industry.</p>	
	<p><b>Electric Power Industry</b></p> <p>Unbound for measures with respect to electric power generation, transmission, distribution, and sale. Any such measure shall not decrease the level of aggregate foreign ownership permitted in the electric power industry as listed under sector D (a) a) (ISIC rev 3.1: 401).</p>	
	<p><b>Gas Industry</b></p> <p>Unbound for measures with respect to the import and wholesale distribution of natural gas and the operation of terminals and the national high pressure pipeline network. Any such measure shall not decrease the level of aggregate foreign ownership permitted in the gas industry as listed under sector D (a) b) (ISIC rev 3.1: 402).</p>	
A. AGRICULTURE, HUNTING, FORESTRY		
(a) <u>Ag</u> riculture, <u>hunting</u> and <u>related service activities</u> (ISIC rev 3.1: 011,012,013,015)	<p>Unbound for rice or barley farming.</p> <p>Foreign investors may not hold 50 percent or more of the equity interests of an enterprise engaged in beef cattle farming.</p>	<p>Unbound for rice or barley farming.</p>
(b) <u>Forestry and logging</u> (ISIC rev 3.1: 02)	<p>None</p>	<p>None</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
B. MINING AND QUARRYING		
(a) <u>Mining of coal and lignite; extraction of peat</u> (ISIC rev 3.1: 10)	None	None
(b) <u>Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying</u> (ISIC rev 3.1: 11)	None, under the following conditions: (a) Submarine petroleum <sup>6</sup> extraction rights can be held only by the government; and (b) These rights may be transferred to a licensee for a limited period, provided the applicant meets non-discriminatory and objectively assessed qualification requirements.	None
(d) <u>Mining of metal ores</u> (ISIC rev 3.1: 13)	None	None
(e) <u>Other mining and quarrying</u> (ISIC rev 3.1: 14)	None	None
C. MANUFACTURING		
(a) <u>Manufacture of food products and beverages</u> (ISIC rev 3.1: 15 excluding grain polishing )	None	None
(b) <u>Manufacture of tobacco products</u> (ISIC rev 3.1: 16)	None	None
(c) <u>Manufacture of textiles</u> (ISIC rev 3.1: 17)	None	None

<sup>6</sup> “Petroleum” includes natural pitch and inflammable natural gas.



Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(d) <u>Manufacture of wearing apparel, dressing and dyeing of fur</u> (ISIC rev 3.1: 18)	None	None
(e) <u>Tanning and dressing of leather, manufacture of luggage, handbags, saddlery, harness and footwear</u> (ISIC rev 3.1: 19)	None	None
(f) <u>Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials</u> (ISIC rev 3.1: 20)	None	None
(g) <u>Manufacture of paper and paper products</u> (ISIC rev 3.1: 21)	None	None
(h) <u>Publishing, printing and reproduction of recorded media</u> (ISIC rev 3.1: 22, excluding publishing and printing on a fee or contract basis ) <sup>7</sup>	None	None
(i) <u>Manufacture of coke oven products</u> (ISIC rev 3.1: 231)	None	None
(j) <u>Manufacture of refined petroleum products</u> (ISIC rev 3.1: 232)	None	None

<sup>7</sup> Publishing and printing on a fee or contract basis is to be found in BUSINESS SERVICES under Other Business Services. r).

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(l) <u>Manufacture of chemicals and chemical products</u> a) Manufacturing of basic chemicals (ISIC rev 3.1 : 241 excluding manufacturing of radioisotope) b) Manufacturing of other chemical products (ISIC rev 3.1 : 242) c) Manufacturing of man made fibres (ISIC rev 3.1 : 243)	None  None  None	None  None  None
(m) <u>Manufacture of rubber and plastics products</u> (ISIC rev 3.1: 25)	None	None
(n) <u>Manufacture of other non-metallic mineral products</u> (ISIC rev 3.1: 26)	None	None
(o) <u>Manufacture of basic metals</u> (ISIC rev 3.1: 27)	None	None
(p) <u>Manufacture of fabricated metal products, except machinery and equipment</u> (ISIC rev 3.1: 28 excluding manufacturing of nuclear reactor)	None	None

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>(q) <u>Manufacture of machinery and equipment n.e.c.</u></p> <p>a) Manufacture of general purpose machinery (ISIC rev 3.1: 291)</p> <p>b) Manufacture of special purpose machinery other than weapons and munitions (ISIC rev 3.1: 2921, 2922, 2923, 2924, 2925, 2926, 2929)</p> <p>c) Manufacture of domestic appliances n.e.c. (ISIC rev 3.1: 293)</p>	<p>None</p> <p>None</p> <p>None</p>	<p>None</p> <p>None</p> <p>None</p>
<p>(r) <u>Manufacture of office, accounting and computing machinery</u> (ISIC rev 3.1: 30)</p>	<p>None</p>	<p>None</p>
<p>(s) <u>Manufacture of electrical machinery and apparatus n.e.c.</u> (ISIC rev 3.1: 31)</p>	<p>None</p>	<p>None</p>
<p>(t) <u>Manufacture of radio, television and communication equipment and apparatus</u> (ISIC rev 3.1: 32)</p>	<p>None</p>	<p>None</p>

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
(u) <u>Manufacture of medical, precision and optical instruments, watches and clocks</u> (ISIC rev 3.1: 33 excluding manufacturing of radiation generation facilities)	None	None
(v) <u>Manufacture of motor vehicles, trailers and semi-trailers</u> (ISIC rev 3.1: 34)	None	None
(w) <u>Manufacture of other (non-military) transport equipment</u> (ISIC rev 3.1: 35 excluding manufacturing of warships, warplanes and other transport equipment for military use)	None	None
(x) <u>Manufacture of furniture; manufacturing n.e.c.</u> (ISIC rev 3.1: 36)	None	None
(y) <u>Recycling</u> (ISIC rev 3.1: 37)	None	None
D. ELECTRICITY, GAS AND WATER SUPPLY		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
<p>(a) <u>Electricity, gas, steam and hot water supply</u></p> <p>a) Energy industry - electric power generation other than nuclear power generation; electric power transmission, distribution and sales (ISIC rev 3.1: 401)</p>	<p>The aggregate foreign share of Korean Electric Power Corporation's ("KEPCO") issued stocks may not exceed 40 percent. A foreign person may not become the largest shareholder of KEPCO.</p> <p>The aggregate foreign share of power generation facilities, including cogeneration facilities of heat and power (GHP) for the district heating system (DHS), may not exceed 30 percent of the total facilities in the territory of Korea.</p> <p>The aggregate foreign share of electric power transmission, distribution and sales businesses should be less than 50 percent. A foreign person may not be the largest shareholder.</p> <p>A single shareholder's share of KEPCO's equity interests may not exceed 3 percent.</p>	<p>The aggregate foreign share of power generation facilities, including cogeneration facilities of heat and power (GHP) for the district heating system (DHS), may not exceed 30 percent of the total facilities in the territory of Korea.</p> <p>The aggregate foreign share of electric power transmission, distribution and sales businesses should be less than 50 percent. A foreign person may not be the largest shareholder.</p> <p>A single shareholder's share of KEPCO's equity interests may not exceed 3 percent.</p>
<p>b) <u>Manufacture of gas; distribution of gaseous fuels through mains</u> (ISIC rev 3.1: 402)</p>	<p>Foreign persons, in the aggregate, may not own more than 30 percent of the equity interests of Korean Gas Corporation ("KOGAS").</p> <p>A single shareholder's share of KOGAS's equity interests may not exceed 15 percent.</p>	<p>Foreign persons, in the aggregate, may not own more than 30 percent of the equity interests of Korean Gas Corporation ("KOGAS").</p> <p>A single shareholder's share of KOGAS's equity interests may not exceed 15 percent.</p>
<p>c) <u>Steam and hot water supply</u> (ISIC rev 3.1: 403)</p>	<p>None</p>	<p>None</p>

## ANNEX 7-B

### MFN TREATMENT EXEMPTION

1. For the purposes of Articles 7.8.2 and 7.14.2, to be of a significantly higher level, obligations stipulated in a regional economic integration agreement shall either create an internal market on services and establishment<sup>1</sup> or encompass both the right of establishment and the approximation of legislation. The evaluation of the level of the obligations shall be conducted on the basis of sectoral or horizontal commitments.

- (a) **The right of establishment** referred to in this paragraph means an obligation to abolish in substance all barriers to establishment among the parties to the regional economic integration agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the parties to the regional economic integration agreement to set up and manage undertakings under the conditions laid down for nationals by the legislation of the country where such establishment is effected.
- (b) **The approximation of legislation** referred to in this paragraph means:
  - (i) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other party or parties to that agreement; or
  - (ii) the incorporation of common legislation into the legal order of the parties to the regional economic integration agreement. Such alignment or incorporation shall be taking place, and is deemed to take place only from such time that it has been enacted into the domestic legal order of the party or parties to the regional economic integration agreement.

2. The Parties shall notify the Committee referred to in Article 7.3 of any regional economic integration agreement which fulfils the conditions of Articles 7.8.2 and 7.14.2. Such a notification shall be made in writing within 60 days of the signature of the regional economic integration agreement.

3. Upon the request of a Party, and further to the notification mentioned in paragraph 2 of this Annex, the Parties shall discuss and review, at the Committee or in separate consultations, the conformity of the regional economic integration agreement with the conditions of Articles 7.8.2 and 7.14.2 and this Annex.

<sup>1</sup> An internal market on services and establishment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

ANNEX 7-C

LIST OF MFN EXEMPTIONS  
UNITED KINGDOM

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
1. All sectors	The United Kingdom reserves the right to adopt or maintain any measure that accords differential treatment to countries deriving from a specific provision found in economic integration agreements to which the United Kingdom is a Party and according to which the United Kingdom may amend any measure only to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with obligations on market access, national treatment and most-favoured-nation in these economic integration agreements.	All countries	Indefinite	To protect differential treatment deriving from ratetclauses.
2. Rail Transport — Passenger and Freight	Measures that are taken under existing or future agreements, and which regulate traffic rights and operating conditions.	All countries with which agreements are or will be in force.	Indefinite	To protect the integrity of rail transport infrastructure and the environment, and to regulate traffic rights between the countries concerned.
3. Road Transport — Passenger and Freight	Provisions in existing or future agreements on international road haulage (including combined transport - road/rail) and passenger transport, concluded between the United Kingdom and third countries, which: (a) reserve or limit the provision of transport service between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party ; or (b) provide for tax exemption for such vehicles.	Switzerland, states in Central, Eastern and South-Eastern Europe and all members of the Commonwealth of Independent States, Albania, Turkey, Lebanon, Israel, Syria, Jordan, Egypt, Tunisia, Algeria, Morocco, Iran, Afghanistan, Iraq, and Kuwait.	Indefinite	The need for exemption is linked to the regional characteristics of the cross-border provision of road transport services.

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
4. Auxiliary Air Transport Services (a) aircraft repair and maintenance services during which an aircraft is withdrawn from service; (b) the selling and marketing of air transport services; (c) computer reservation system (CRS) services; and (d) other services auxiliary to air transport services, such as ground-handling services, rental service of aircraft with crew, and airport management services	The right to adopt or maintain any measure that accords differential treatment to countries under any international agreement in force or signed after the date of entry into force of this Agreement.	All countries	Indefinite	Needed to protect existing and future international agreements.
5. CRS and Sales and Marketing of Air Transport Services	The obligations of CRS system vendors or of parent and participating air carriers shall not apply where equivalent treatment to that applied under UK CRS rules is not accorded in the country of origin of the parent carrier or of the system vendor.	All countries where a CRS system vendor or a parent air carrier is located.	Indefinite	The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS.
Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
6. Internal Waterways Transport	Measures based upon existing or future agreements on access to inland waterways, which reserve traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership.	Switzerland, States in Central, Eastern and South-Eastern Europe and all members of the Commonwealth of Independent States.	Indefinite. Exemption needed for certain countries only until an economic integration agreement is concluded or completed.	To regulate transport capacity on inland waterways, taking into account geographic specificity.
7. Maritime Transport	Measures concerning the establishment, activities and operations of shipping companies beyond the commitment undertaken by Korea in Annex 7-A.	Unspecified	Indefinite	International agreements in the context of overall trade relations.



Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
8. Fisheries	The United Kingdom reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or plurilateral international agreement involving fisheries in force or signed after the date of entry into force of this Agreement.	All countries	Indefinite	Needed to protect existing and future bilateral and plurilateral international agreements.

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
9. All sectors	Measures based on existing or future bilateral agreements between the United Kingdom and the countries and principalities concerned, providing for the right of establishment for natural and juridical persons.	San Marino, Monaco, Andorra, and Vatican City State.	Indefinite	The geographical situation and historical, economic and cultural links between the United Kingdom and the countries and principalities concerned.

## KOREA

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
1. All Sectors	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement signed after the date of entry into force of this Agreement involving: <ul style="list-style-type: none"> <li>(a) fisheries; or</li> <li>(b) maritime matters, including salvage.</li> </ul>
2. All Sectors	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries deriving from a specific provision found in economic integration agreements to which Korea is a Party and according to which Korea may amend any measure only to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with obligations on market access, national treatment and most-favoured-nation in these economic integration agreements.
3. Auxiliary Air Transport Services <ul style="list-style-type: none"> <li>(a) aircraft repair and maintenance services during which an aircraft is withdrawn from service;</li> <li>(b) the selling and marketing of air transport services;</li> <li>(c) computer reservation system (CRS) services; and</li> <li>(d) other services auxiliary to air transport services, such as ground-handling services, rental service of aircraft with crew, and airport management services</li> </ul>	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement involving auxiliary air transport services signed after the date of entry into force of this Agreement.
4. Disadvantaged Groups	Korea reserves the right to adopt or maintain any measure that accords rights or preferences to socially or economically disadvantaged groups, such as the disabled, persons who have rendered distinguished services to the state, and ethnic minorities.
5. Social Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for public purposes: income security or insurance, social security or insurance, social welfare, public training, health, and child care.

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
6. Communication Services — Broadcasting Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries due to the application of reciprocity measures or through international agreements involving sharing of the radio spectrum, guaranteeing market access, or national treatment with respect to the one-way satellite transmission of direct-to-home (DTH) and direct broadcasting satellite (DBS) television services and digital audio services.
7. Transportation Services — Railroad Transportation	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement involving railroad transportation signed after the date of entry into force of this Agreement.
8. Transportation Services — Passenger Road Transportation Services (Taxi Services and Scheduled Passenger Road Transportation Services)	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to taxi services and scheduled passenger road transportation services.
9. Transportation Services — Freight Road Transportation Services (not including Road Transportation Services Related to Courier Services)	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to freight road transportation services, not including road transportation of containerised freight (excluding cabotage) by international shipping companies and road transportation services related to courier services.
10. Transportation Services — Internal Waterways Transportation Services and Space Transportation Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to internal waterways transportation services and space transportation services.
11. Education Services — Pre-Primary, Primary, Secondary, Higher, and Other Education	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to pre-primary, primary, and secondary education; health and medicine-related higher education; higher education for prospective pre-primary, primary, and secondary teachers; professional graduate education in law; distance education at all education levels (except adult education services, provided that such services do not confer academic credit, diplomas, or degrees); and other education services.  This entry does not apply to the administration of educational testing for foreign use. For greater certainty, nothing in this Agreement affects Korea's authority to select and apply educational testings, or to regulate school curriculum in accordance with domestic education policy.
12. Social Services — Human Health Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to human health services.  This entry shall not apply to the preferential measures provided in the <i>Act on Designation and Management of Free Economic Zones</i> (Law No. 9216, December 26, 2008), and the <i>Special Act on Establishment of Jeju Special Self-Governing Province and Creation of Free International City</i> (Law No.9526, March 25, 2009) relating to establishment of medical facilities, pharmacies, and similar facilities, and the supply of remote medical services to those geographical areas specified in those Acts.

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
13. Recreational, Cultural, and Sporting Services — Motion Picture Promotion, Advertising, or Post-Production Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to motion picture promotion, advertising, or post-production services.
14. Transportation Services — Maritime Passenger Transportation and Maritime Cabotage	<p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to the provision of international maritime passenger transportation services, maritime cabotage, and the operation of Korean vessels, including the following measures:</p> <p>A person that supplies international maritime passenger transportation services must obtain a licence from the Minister of Land, Infrastructure and Transport, which is subject to an economic needs test.</p> <p>Maritime cabotage is reserved for Korean vessels. Maritime cabotage includes maritime transportation between harbors located along the entire Korean peninsula and any adjacent islands. Korean vessel means:</p> <ul style="list-style-type: none"> <li>(a) a vessel owned by the Korean government, a state enterprise, or an institution established under the Ministry of Land, Infrastructure and Transport;</li> <li>(b) a vessel owned by a Korean national;</li> <li>(c) a vessel owned by an enterprise organised under the Korean Commercial Code;</li> </ul> <p>a vessel owned by an enterprise organised under foreign law that has its principal office in Korea and whose <i>dae-pyo-ja</i> (for example, a chief executive officer, president, or similar principal senior officer) is a Korean national. In the event there is more than one, all <i>dae-pyo-ja</i> must be Korean nationals.</p>



## ANNEX 7-D

### THE ADDITIONAL COMMITMENT ON FINANCIAL SERVICES

#### *Transfer of information*

1. The Parties recognise the importance of the cross-border transfer of information by financial service suppliers. Korea has expressed its intent to undertake modification to its regulatory regime that will result in its adoption of approaches that will permit the transfer of financial information across borders while addressing such areas as the protection of sensitive information of consumers, prohibitions on unauthorised reuse of the sensitive information, the ability of financial regulators to have access to records of financial service suppliers relating to the handling of such information, and requirements for the location of technology facilities.<sup>1</sup>

#### *Performance of functions*

2. The Parties recognise the benefits of allowing a financial service supplier in a Party's territory to perform certain functions at its head office or affiliates located inside or outside the Party's territory. To the extent practicable, each Party should allow such an office or affiliate to perform these functions which generally include, but are not limited to:

- (a) trade and transaction processing functions, including confirmation and statement production;
- (b) technology-related functions, such as data processing<sup>2</sup>, programming and system development;
- (c) administrative services, including procurement, travel arrangements, mailing services, physical security, office space management and secretarial services;
- (d) human resource activities, including training and education;
- (e) accounting functions, including bank reconciliation, budgeting, payroll, tax, account reconciliation and customer and proprietary accounting; and
- (f) legal functions, including the provision of advice and litigation strategy.

3. Nothing in paragraph 2 prevents a Party from requiring a financial service supplier located in its territory to retain certain functions.

<sup>1</sup> This includes, in particular, the transfer of information for the purpose of compliance with transparency and reporting requirements of financial services suppliers with regard to financial regulators of their home country.

<sup>2</sup> To the extent that a Party is obligated under Article 7.43 to allow the transfer of information outside its territory, that Party shall also allow data processing of that information after the transfer.

4. For greater certainty, a financial service supplier located in the territory of a Party retains ultimate responsibility for compliance with requirements applicable to those functions performed by its head office or affiliate.

*Supply of insurance by the postal services to the public*

5. The regulation of insurance services supplied by a Party's postal service supplier to the public should not accord to the Party's postal service supplier a competitive advantage over private service suppliers of like insurance services in the territory of the Party.

6. To this end, Korea should, to the extent practicable, provide that the Financial Services Commission (hereinafter referred to as the "FSC") exercise regulatory oversight over the insurance underwriting services supplied by Korea Post to the public and that those services be subject to the same rules applicable to private suppliers supplying like insurance underwriting services in its territory<sup>3</sup>.

*Sectoral cooperatives selling insurance*

7. The regulation of insurance services supplied by a sectoral cooperative should not provide the cooperative a competitive advantage over private suppliers of like insurance services. To the extent practicable, a Party should apply the same rules to services supplied by such cooperatives that it applies to like services supplied by private insurers.

8. To this end, the FSC should exercise regulatory oversight over services supplied by sectoral cooperatives. At a minimum, Korea shall provide that solvency matters related to the sale of insurance by the National Agricultural Cooperative Federation, the National Federation of Fisheries Cooperatives, the Korea Federation of Community Credit Cooperatives and the National Credit Union Federation of Korea shall be subject to regulation by the FSC.

*Self-Regulatory Organisations*

9. The Korea Insurance Development Institute is subject to the discipline of Article 7.40. This confirmation is without prejudice to the status of any other organisation in this or any other financial services sub-sector.

10. For greater certainty, if each Party's financial regulatory authority delegates a function related to insurance to a self-regulatory organisation or other non-governmental body, the authority shall take reasonable steps to ensure compliance with Article 7.39 (Transparency) and Article 7.23.2 (Domestic Regulation) with

<sup>3</sup> This commitment shall also apply to the United Kingdom in case the postal service supplier engages in insurance underwriting services in the United Kingdom

regard to any actions taken by the organisation or other non-governmental body pursuant to the delegated function.



## UNDERSTANDING ON THE KOREAN POSTAL REFORM PLAN<sup>1</sup>

In the course of the negotiations of this Agreement, the delegation of Korea explained to the delegation of the United Kingdom the steps taken by the Korean government to reform its postal services.

In this context, Korea has drawn to the attention of the delegation of the United Kingdom the following aspects of its postal reform plan, outlined in the *Understanding on the Korean Postal Reform Plan* of the Korea-EU FTA as follows:

“Korea intends to expand gradually the exceptions to the Korean Postal Authority's monopoly to increase the scope of private delivery services that are permitted. This will be done through amendments to the Postal Service Act, related laws, or their subordinate regulations.

- (a) After these amendments are enacted, the scope of Korean Postal Authority's letter posts will be clearer through the redefinition of its concept, and the exceptions to the letter-posts monopoly will be extended based on objective standards such as weight, price or a combination thereof.
- (b) In determining the nature and extent of such amendments, Korea will consider various factors, including domestic market conditions, the experience of other countries with postal liberalisation, and the need to ensure universal service. Korea plans to implement these amendments within the next three years from the date of signature of this Agreement.

In applying these reformed criteria Korea will provide non-discriminatory opportunities to all the postal and express delivery service suppliers in Korea.”<sup>2</sup>

Korea and the UK acknowledge that Korea has completed the abovementioned steps for its postal reform plan.

<sup>1</sup> This Understanding is non-binding and not subject to Chapter Fourteen (Dispute Settlement).

<sup>2</sup> The text in quotation marks is taken directly from the Korea-EU FTA. The inclusion of this text in this Agreement does not create a new obligation on Korea to reform its postal system.

## **UNDERSTANDING CONCERNING SPECIFIC COMMITMENTS ON TELECOMMUNICATIONS SERVICES**

The following understanding was reached between the delegations of Korea and the United Kingdom during the course of negotiations regarding specific commitments on telecommunications services in this Agreement:

If a Party conditions the granting of a license to supply public telecommunications services to a person of the Party in which a person of the other Party holds an equity interest on a finding that the supply of such services would serve the public interest, the Party shall ensure that it: (i) bases any such finding and the procedures for making such a finding on objective and transparent criteria; (ii) employs a presumption in favor of finding that granting a license to a person of the Party in which a person of the other Party holds an equity interest would serve the public interest; and (iii) develops any such procedures consistent with Article 7.22 (Transparency and Confidential Information), Article 7.23 (Domestic Regulation) and Article 7.36 (Resolution of Telecommunications Disputes).

This Understanding shall constitute an integral part of this Agreement.

## **UNDERSTANDING ON REGULATIONS RELATING TO ZONING, URBAN PLANNING AND ENVIRONMENTAL PROTECTION**

During the negotiations on Chapter Seven (Trade in Services, Establishment and Electronic Commerce) of this Agreement, the Parties discussed regulations relating to zoning, urban planning and environmental protection which are applicable in Korea and in the United Kingdom at the time of signature of this Agreement.

The Parties share the understanding that, in so far as regulations, including regulations relating to zoning, urban planning and environmental protection, constitute non-discriminatory and non quantitative measures affecting establishment, they are not subject to scheduling.

Based on the common understanding above, the Parties confirm that specific measures maintained by Korea in the following Acts are not subject to scheduling:

- *Seoul Metropolitan Area Readjustment Planning Act*
- *Industrial Cluster Development and Factory Establishment Act*
- *Special Act on the Improvement of Air Quality in the Seoul Metropolitan Area*

The Parties confirm their right to introduce new regulations relating to zoning, urban planning and environmental protection.

This Understanding shall constitute an integral part of this Agreement.

## **UNDERSTANDING ON THE ARTICLE 7.5.2(a) FOOTNOTE 5**

In line with the discussion that took place in the Sixty-fifth Session of the WTO Committee on Regional Trade Agreements on June 19<sup>th</sup>, 2012, the Parties hereby confirm their agreement to acknowledge that each other's understandings regarding footnote 5 on the Article 7.5.2(a) are as follows:

Korea understands that footnote 5 does not create any obligation that goes beyond the ordinary meaning of the Article XVI:2(a) of the WTO GATS, and its commitment under Annex 7-4-A is based on such an understanding.

The UK understands that footnote 5 clarifies that requiring a service supplier of the other Party to have an establishment or to be resident in a Party's territory as a condition for the cross-border supply of services is a market access limitation within the meaning of Article 7.5.2(a). The footnote is without prejudice to the meaning of Article XVI:2(a) of the WTO GATS.

This Understanding shall constitute an integral part of this Agreement.

## CHAPTER EIGHT

### PAYMENTS AND CAPITAL MOVEMENTS

#### ARTICLE 8.1

##### **Current Payments**

The Parties undertake to impose no restrictions on, and to allow, all payments and transfers on the current account of balance of payments between residents of the Parties to be made in freely convertible currency, in accordance with the Articles of Agreement of the International Monetary Fund.

#### ARTICLE 8.2

##### **Capital Movements**

1. With regard to transactions on the capital and financial account of balance of payments, the Parties undertake to impose no restrictions on the free movement of capital relating to direct investments made in accordance with the laws of the host country, to investments and other transactions liberalised in accordance with Chapter Seven (Trade in Services, Establishment and Electronic Commerce) and to the liquidation and repatriation of such invested capital and of any profit generated therefrom.

2. Without prejudice to other provisions in this Agreement, the Parties shall ensure, with regard to transactions not covered by paragraph 1 on the capital and financial account of balance of payments, in accordance with the laws of the host country, the free movement by investors of the other Party of capital relating to, inter alia:

- (a) credits related to commercial transactions including the provision of services in which a resident of a Party is participating;
- (b) financial loans and credits; or
- (c) capital participation in a juridical person with no intention of establishing or maintaining lasting economic links.

3. Without prejudice to other provisions in this Agreement, the Parties shall not introduce any new restrictions on the movement of capital between residents of the Parties and shall not make the existing arrangements more restrictive.

4. The Parties may hold consultations with a view to further facilitating the movement of capital between them in order to promote the objectives of this Agreement.

## ARTICLE 8.3

### **Exceptions**

Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on capital movements, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

- (a) necessary to protect public security and public morals or to maintain public order; or
- (b) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:
  - (i) the prevention of criminal or penal offenses, deceptive and fraudulent practices or to deal with the effects of a default on contracts (bankruptcy, insolvency and protection of the right of creditors);
  - (ii) measures adopted or maintained to ensure the integrity and stability of a Party's financial system;
  - (iii) issuing, trading or dealing in securities, options, futures or other derivatives;
  - (iv) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or
  - (v) ensuring compliance with orders or judgements in juridical or administrative proceedings.

## ARTICLE 8.4

### **Safeguard Measures**

1. Where, in exceptional circumstances, payments and capital movements between the Parties cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy<sup>1</sup> in Korea or the United Kingdom,

<sup>1</sup> "serious difficulties for the operation of monetary policy or exchange rate policy" shall include, but not be limited to, serious balance of payments or external financial difficulties, and the safeguard measures under this Article shall not apply with respect to foreign direct investments.

safeguard measures with regard to capital movements that are strictly necessary<sup>2</sup> may be taken by the Party concerned for a period not exceeding six months<sup>3</sup>.

2. The Trade Committee shall be informed forthwith of the adoption of any safeguard measure and, as soon as possible, of a time schedule for its removal.

<sup>2</sup> In particular, safeguard measures provided for in this Article should be applied in such a way that they:

- (a) are not confiscatory;
- (b) do not constitute a dual or multiple exchange rate practice;
- (c) do not otherwise interfere with investors' ability to earn a market rate of return in the territory of the Party who took safeguard measures on any restricted assets;
- (d) avoid unnecessary damage to the commercial, economic or financial interests of the other Party;
- (e) are temporary and phased out progressively as the situation calling for imposition of such measures improves; and
- (f) are promptly published by the competent authorities responsible for foreign exchange policy.

<sup>3</sup> As long as the circumstances present at the time of initial adoption of safeguard measures or any equivalent thereto still exist, the application of safeguard measures can be extended once for another six months by the Party concerned. However, if extremely exceptional circumstances arise such that a Party seeks further extension of the safeguard measures, it will co ordinate in advance with the other Party concerning the implementation of any proposed extension.

## CHAPTER NINE

### GOVERNMENT PROCUREMENT

#### ARTICLE 9.1

##### General Provisions

1. The Parties reaffirm their rights and obligations under the *Agreement on Government Procurement* contained in Annex 4 to the WTO Agreement (hereinafter referred to as the "GPA 1994") and their interest in further expanding bilateral trading opportunities in each Party's government procurement market.
2. The Parties recognise their shared interest in promoting international liberalisation of government procurement markets in the context of the rules-based international trading system. The Parties shall continue to cooperate in the review under Article XXIV: 7 of the GPA 1994 and in other appropriate international fora.
3. Nothing in this Chapter shall be construed to derogate from either Party's rights or obligations under the GPA 1994, or from an agreement which replaces it.
4. For all procurement covered by this Chapter, the Parties shall apply the revised GPA text<sup>1</sup> (hereinafter referred to as the "revised GPA"), with the exception of the following:
  - (a) most favoured treatment for goods, services and suppliers of any other Party (subparagraph 1(b) and paragraph 2 of Article IV of the revised GPA);
  - (b) special and differential treatment for developing countries (Article V of the revised GPA);
  - (c) conditions for participation (paragraph 2 of Article VIII of the revised GPA) which shall be replaced by: "In establishing the conditions for participation, a procuring entity shall not impose the condition that, in order for a supplier of a Party to participate in a procurement or be awarded a contract, the supplier has previously been awarded one or more contracts by a procuring entity of the other Party or that the supplier has prior work experience in the territory of that Party, except when prior works experience is essential to meet the requirements of the procurement.";
  - (d) institutions (Article XXI of the revised GPA); and
  - (e) final provisions (Article XXII of the revised GPA).

<sup>1</sup> Contained in WTO Document negs 268 (Job No[1].8274) dated 19 November 2007.



5. For the purposes of the application of the revised GPA under paragraph 4:
  - (a) "Agreement" in the revised GPA means "Chapter," except that "countries not Parties to this Agreement" means "non-Parties" and "Party to the Agreement" means "Party";
  - (b) "other Parties" in the revised GPA means "the other Party"; and
  - (c) "the Committee" in the revised GPA means "the Working Group".

## ARTICLE 9.2

### **Scope and Coverage**

1. The procurement covered by this Chapter shall be all procurement covered by each Party's Annexes to the GPA 1994 and any note attached thereto, including their amendments or replacements.
2. For the purposes of this Agreement, build-operate-transfer contracts (hereinafter referred to as "BOT contracts") and public works concessions, as defined in Annex 9, shall be subject to Annex 9.

## ARTICLE 9.3

### **Government Procurement Working Group**

The Working Group on Government Procurement established pursuant to Article 15.3.1 (Working Groups) shall meet, as mutually agreed or upon request of a Party, to:

- (a) consider issues regarding government procurement and BOT contracts or public works concessions that are referred to it by a Party;
- (b) exchange information relating to the government procurement and BOT contracts or public works concessions opportunities in each Party; and
- (c) discuss any other matters related to the operation of this Chapter.

## ANNEX 9

### **BOT CONTRACTS AND PUBLIC WORKS CONCESSIONS**

#### ARTICLE 1

##### **Definitions**

1. For Korea,

**BOT contract** means any contractual arrangement the primary purpose of which is to provide for the construction or rehabilitation of physical infrastructure, plant, buildings, facilities, or other government-owned works and under which, as consideration for a supplier's execution of a contractual arrangement, a procuring entity grants to the supplier, for a specified period of time, temporary ownership or a right to control and operate, and demand payment for the use of, such works for the duration of the contract.

2. For the United Kingdom,

**public works concession** means a contract of the same type as a public works contract except for the fact that the consideration for the works to be carried out consists either solely in the right to exploit the work or in this right together with payment;

**public works contract** means public contracts having as their object either the execution, or both the design and execution, of works related to one of the activities within the meaning of Division 51 of the CPC or a work, or the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority; and

**work** means the outcome of building or civil engineering works taken as a whole which is sufficient of itself to fulfil an economic or technical function.

#### ARTICLE 2

##### **Rules Applicable to BOT Contracts and Public Works Concessions**

###### *National Treatment and Non-Discrimination*

1. With respect to all laws, regulations, procedures and practices regarding BOT contracts or public works concessions covered by Article 3 of this Annex, each Party, including its procuring entities, shall accord immediately and unconditionally to the goods, services and suppliers of the other Party, treatment no less favourable than

the treatment the Party, including its procuring entities, accords to domestic goods, services and suppliers.

2. With respect to all laws, regulations, procedures and practices regarding BOT contracts or public works concessions covered by Article 3 of this Annex, a Party, including its procuring entities, shall not treat a locally established supplier of the other Party less favourably than another locally established supplier on the basis of degree of foreign affiliation or ownership.

#### *Notice of Intended Contract*

3. Each Party shall ensure that a procuring entity publishes a notice of intended BOT contracts or public work concessions covered by Article 3 of this Annex in an appropriate official paper or electronic medium listed in Article 4 of this Annex. The notices shall be accessible to interested suppliers free of charge, if possible through a single point of access, so that interested suppliers may submit tenders or requests for participation in that contract. Each notice of intended contract shall include the following information:

- (a) the name and the address of the procuring entity and other information necessary to contact the procuring entity and obtain all relevant documents relating to the contract;
- (b) a description of the contract;
- (c) the address and the final date for the submission of tenders or requests for participation;
- (d) the language or languages in which tenders or requests for participation may be submitted;
- (e) a list and brief description of any conditions for participation of suppliers; and
- (f) the main criteria to be used for the award of the contract.

#### *Award Publication*

4. Within a reasonable period of time after the award of each contract covered by Article 3 of this Annex, each Party shall ensure that the award of that contract is made publicly available in an appropriate official paper or electronic medium listed in Article 4 of this Annex, indicating the name and the address of the procuring entity and of the successful supplier.

### *Review*

5. Each Party shall ensure that there is an effective system of review of decisions by competent authorities covered by this Annex. This obligation does not require the creation of a special system of administrative or judicial review.

### *Other Rules and Procedures*

6. Subject to paragraphs 1 through 5, this Annex is without prejudice to the measures undertaken by the Parties to encourage small and medium-sized businesses to participate in BOT contracts or public works concessions in accordance with their legislation.

### *Security and General Exceptions*

7. Nothing in this Annex shall be construed to prevent any Party from taking any action or not disclosing any information that it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition or war materials, or to procurement indispensable for national security or for national defence purposes.

8. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties where the same conditions prevail or a disguised restriction on international trade, nothing in this Annex shall be construed to prevent any Party from imposing or enforcing measures:

- (a) necessary to protect public morals, order or safety;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to protect intellectual property; or
- (d) relating to goods or services of persons with disabilities, philanthropic institutions or prison labour.

## ARTICLE 3

### **Scope and Coverage**

1. This Annex shall apply to BOT contracts and public works concessions the value of which is above 15,000,000 SDR.

2. As regards the United Kingdom, this Annex covers public works concessions of the entities listed in Annexes 1 and 2 of the European Union's GPA 1994 Appendix

I and their corresponding Annexes in any agreement which replaces or amends the GPA 1994 in the sectors set out therein.

3. As regards Korea, this Annex covers BOT contracts of the entities listed in Annexes 1 and 2 of Korea's GPA 1994 Appendix I and their corresponding Annexes in any agreement which replaces or amends the GPA 1994, and, further to this, BOT contracts of all local governments<sup>1</sup> located in Seoul City, Busan City, Incheon City and Gyonggi-do.

#### ARTICLE 4

##### **Means of Publication**

1. For Korea,

the Internet homepage of each entity in Annexes 1 and 2 of Korea's GPA 1994 Appendix I and their corresponding Annexes in an agreement which replaces or amends the GPA 1994 and all local governments located in Seoul City, Busan City, Incheon City and Gyonggi-do and their daily press.

2. For the United Kingdom,

the means of publication that shall be notified to Korea on entry into force of this Agreement.

<sup>1</sup> For Korea, local government means a local government as defined in the *Local Autonomy Act*.

CHAPTER TEN  
INTELLECTUAL PROPERTY

SECTION A  
GENERAL PROVISIONS

ARTICLE 10.1

**Objectives**

The objectives of this Chapter are to:

- (a) facilitate the production and commercialisation of innovative and creative products in the Parties; and
- (b) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

ARTICLE 10.2

**Nature and Scope of Obligations**

1. The Parties shall ensure an adequate and effective implementation of the international treaties dealing with intellectual property to which they are party including *the Agreement on Trade Related Aspects of Intellectual Property Rights*, contained in Annex 1C to the WTO Agreement (hereinafter referred to as the "TRIPS Agreement"). The provisions of this Chapter shall complement and specify the rights and obligations between the Parties under the TRIPS Agreement.

2. For the purposes of this Agreement, intellectual property rights embody:

- (a) copyright, including copyright in computer programs and in databases, and related rights;
- (b) the rights related to patents;
- (c) trademarks;
- (d) service marks;
- (e) designs;
- (f) layout-designs (topographies) of integrated circuits;

- (g) geographical indications;
- (h) plant varieties; and
- (i) protection of undisclosed information.

3. Protection of intellectual property includes protection against unfair competition as referred to in article 10 *bis* of the *Paris Convention for the Protection of Industrial Property* (1967) (hereinafter referred to as the "Paris Convention").

#### ARTICLE 10.3

##### **Transfer of Technology**

1. The Parties agree to exchange views and information on their practices and policies affecting transfer of technology, both within their respective territories and with third countries. This shall in particular include measures to facilitate information flows, business partnerships, licensing and subcontracting. Particular attention shall be paid to the conditions necessary to create an adequate enabling environment for technology transfer in the host countries, including, *inter alia*, issues such as development of human capital and legal framework.

2. Each Party shall take measures, as appropriate, to prevent or control licensing practices or conditions pertaining to intellectual property rights which may adversely affect the international transfer of technology and which constitute an abuse of intellectual property rights by right holders.

#### ARTICLE 10.4

##### **Exhaustion**

The Parties shall be free to establish their own regime for the exhaustion of intellectual property rights.

#### SECTION B

##### **STANDARDS CONCERNING INTELLECTUAL PROPERTY RIGHTS**

##### SUB-SECTION A

##### **COPYRIGHT AND RELATED RIGHTS**

## ARTICLE 10.5

### **Protection Granted**

The Parties shall comply with:

- (a) Articles 1 through 22 of the *International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations* (1961) (hereinafter referred to as the "Rome Convention");
- (b) Articles 1 through 18 of the *Berne Convention for the Protection of Literary and Artistic Works* (1971) (hereinafter referred to as the "Berne Convention");
- (c) Articles 1 through 14 of the *World Intellectual Property Organisation* (hereinafter referred to as the "WIPO") *Copyright Treaty* (1996) (hereinafter referred to as the "WCT"); and
- (d) Articles 1 through 23 of the *WIPO Performances and Phonograms Treaty* (1996) (hereinafter referred to as the "WPPT").

## ARTICLE 10.6

### **Duration of Authors' Rights**

Each Party shall provide that, where the term of protection of a work is to be calculated on the basis of the life of a natural person, the term shall be not less than the life of the author and 70 years after the author's death.

## ARTICLE 10.7

### **Broadcasting Organisations**

1. The rights of broadcasting organisations shall expire not less than 50 years after the first transmission of a broadcast, whether this broadcast is transmitted by wire or over the air, including by cable or satellite.
2. Neither Party may permit the retransmission of television signals (whether terrestrial, cable or satellite) on the Internet without the authorisation of the right holder or right holders, if any, of the content of the signal and of the signal<sup>1</sup>.

<sup>1</sup> For the purposes of this paragraph, retransmission within a Party's territory over a closed and defined subscriber network that is not accessible from outside the Party's territory does not constitute retransmission on the Internet.



## ARTICLE 10.8

### **Cooperation on Collective Management of Rights**

The Parties shall endeavour to facilitate the establishment of arrangements between their respective collecting societies for the purposes of mutually ensuring easier access and delivery of content between the Parties, as well as ensuring mutual transfer of royalties for use of the Parties' works or other copyright-protected subject matters. The Parties shall endeavour to achieve a high level of rationalisation and to improve transparency with respect to the execution of the task of their respective collecting societies.

## ARTICLE 10.9

### **Broadcasting and Communication to the Public**

1. For the purposes of this Article:
  - (a) **broadcasting** means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such transmission by satellite is also "broadcasting"; transmission of encrypted signals is broadcasting where the means for decrypting are provided to the public by the broadcasting organisation or with its consent; and
  - (b) **communication to the public** means the transmission to the public by any medium, otherwise than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram. For the purposes of paragraph 5, "communication to the public" includes making the sounds or representations of sounds fixed in a phonogram audible to the public.
2. Each Party shall provide performers with the exclusive right to authorise or prohibit the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation.
3. Each Party shall provide performers and producers of phonograms with the right to a single equitable remuneration, if a phonogram published for commercial purposes or a reproduction of such phonogram is used for broadcasting by wireless means or for any communication to the public.
4. Each Party shall establish in its legislation that the single equitable remuneration shall be claimed from the user by performers or producers of phonograms, or by both. The Parties may enact legislation that, in the absence of an agreement between performers and producers of phonograms, sets the terms

according to which performers and producers of phonograms shall share the single equitable remuneration.

5. Each Party shall provide broadcasting organisations with the exclusive right to authorise or prohibit:

- (a) the re-broadcasting of their broadcasts;
- (b) the fixation of their broadcasts; and
- (c) the communication to the public of their television broadcasts if such communication is made in places accessible to the public against payment of an entrance fee. It shall be a matter for the domestic law of the [State] where protection of this right is claimed to determine the conditions under which it may be exercised.

#### ARTICLE 10.10

##### **Artists' Resale Right in Works of Art**

The Parties agree to exchange views and information on the practices and policies concerning the artists' resale right.

#### ARTICLE 10.11

##### **Limitations and Exceptions**

The Parties may, in their legislation, provide for limitations of, or exceptions to, the rights granted to the right holders referred to in Articles 10.5 through 10.10 in certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holders.

#### ARTICLE 10.12

##### **Protection of Technological Measures**

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures, which the person concerned carries out in the knowledge, or with reasonable grounds to know, that such person is pursuing that objective.

2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes, of devices, products or components, or the provision of services which:

- (a) are promoted, advertised or marketed for the purpose of circumvention of;
- (b) have only a limited commercially significant purpose or use other than to circumvent; or
- (c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of, any effective technological measures.

3. For the purposes of this Agreement, **technological measure** means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject matter, which are not authorised by the right holder of any copyright or any right related to copyright as provided for by each Party's legislation. Technological measures shall be deemed effective where the use of a protected work or other subject matter is controlled by the right holders through the application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject matter, or a copy control mechanism, which achieves the objective of protection.

4. Each Party may provide for exceptions and limitations to measures implementing paragraphs 1 and 2 in accordance with its legislation and the relevant international agreements referred to in Article 10.5.

#### ARTICLE 10.13

##### **Protection of Rights Management Information**

1. Each Party shall provide adequate legal protection against any person knowingly performing without authority any of the following acts:

- (a) the removal or alteration of any electronic rights management information; or
- (b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject matter protected under this Agreement from which electronic rights management information has been removed or altered without authority,

if such person knows, or has reasonable grounds to know, that by doing so it is inducing, enabling, facilitating or concealing an infringement of any copyright or any rights related to copyright as provided by the law of the relevant Party.

2. For the purposes of this Agreement, **rights management information** means any information provided by right holders which identifies the work or other subject matter referred to in this Agreement, the author or any other right holder, or information about the terms and conditions of use of the work or other subject matter, and any numbers or codes that represent such information.

3. Paragraph 2 shall apply when any of these items of information is associated with a copy of, or appears in connection with the communication to the public of, a work or other subject matter referred to in this Agreement.

## SUB-SECTION B

### **TRADEMARKS**

#### ARTICLE 10.14

##### **Registration Procedure**

The United Kingdom and Korea shall provide for a system for the registration of trademarks in which the reasons for a refusal to register a trademark shall be communicated in writing and may be provided electronically to the applicant who will have the opportunity to contest such refusal and to appeal a final refusal judicially. The United Kingdom and Korea shall also introduce the possibility for interested parties to oppose trademark applications. The United Kingdom and Korea shall provide a publicly available electronic database of trademark applications and trademark registrations.

#### ARTICLE 10.15

##### **International Agreements**

The United Kingdom and Korea shall comply with the *Trademark Law Treaty* (1994) and make all reasonable efforts to comply with the *Singapore Treaty on the Law of Trademarks* (2006).

#### ARTICLE 10.16

##### **Exceptions to the Rights Conferred by a Trademark**

Each Party shall provide for the fair use of descriptive terms as a limited exception to the rights conferred by a trademark and may provide for other limited exceptions, provided that limited exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

## SUB-SECTION C

### GEOGRAPHICAL INDICATIONS<sup>2,3</sup>

#### ARTICLE 10.17

##### **Recognition of Geographical Indications for Agricultural Products and Foodstuffs and Wines**

1. Having examined the *Agricultural Products Quality Control Act*, with its implementing rules, in so far as it relates to the registration, control and protection of geographical indications for agricultural products and foodstuffs in Korea, the United Kingdom concludes that this legislation meets the elements laid down in paragraph 6.

2. Having examined *Council Regulation (EC) No 510/2006*, with its implementing rules, for the registration, control and protection of geographical indications of agricultural products and foodstuffs in the European Union, and *Council Regulation (EC) No 1234/2007* on the common organisation of the market in wine, Korea concludes that this legislation meets the elements laid down in paragraph 6.

3. Having examined a summary of the specifications of the agricultural products and foodstuffs corresponding to the geographical indications of Korea listed in Annex 10-A, which have been registered by Korea under the legislation referred to in paragraph 1, the United Kingdom undertakes to protect the geographical indications of Korea listed in Annex 10-A according to the level of protection laid down in this Chapter.

4. Having examined a summary of the specifications of the agricultural products and foodstuffs corresponding to the geographical indications of the United Kingdom listed in Annex 10-A, which have been registered by the United Kingdom under the legislation referred to in paragraph 2, Korea undertakes to protect the geographical indications of the United Kingdom listed in Annex 10 A according to the level of protection laid down in this Chapter.

<sup>2</sup> "Geographical indication" in this Sub-section refers to:

- (a) geographical indications, designations of origin, quality wines produced in a specified region and table wines with geographical indication as referred to in *Council Regulation (EC) No 510/2006 of 20 March 2006*; *Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008*; *Council Regulation (EEC) No 1601/1991 of 10 June 1991*; *Council Regulation (EC) No 1493/1999 of 17 May 1999*; and *Council Regulation (EC) No 1234/2007 of 22 October 2007*, or provisions replacing these regulations; and
- (b) geographical indications as covered by the *Agricultural Products Quality Control Act* (Act No. 9759, Jun. 9, 2009) and the *Liquor Tax Act* (Act No. 8852, Feb. 29, 2008) of Korea.

<sup>3</sup> The protection of a geographical indication under this Sub-section is without prejudice to other provisions in this Agreement.

5. Paragraph 3 shall apply to geographical indications for wines with respect to geographical indications added pursuant to Article 10.23.

6. The United Kingdom and Korea agree that the elements for the registration and control of geographical indications referred to in paragraphs 1 and 2 are the following:

- (a) a register listing geographical indications protected in their respective territories;
- (b) an administrative process verifying that geographical indications identify a good as originating in a territory, region or locality of either Party, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;
- (c) a requirement that a registered name shall correspond to a specific product or products for which a product specification is laid down which may only be amended by due administrative process;
- (d) control provisions applying to production;
- (e) legal provisions laying down that a registered name may be used by any operator marketing the agricultural product or foodstuff conforming to the corresponding specification; and
- (f) an objection procedure that allows the legitimate interests of prior users of names, whether those names are protected as a form of intellectual property or not, to be taken into account.

## ARTICLE 10.18

### **Recognition of Specific Geographical Indications for Wines<sup>4</sup>, Aromatised Wines<sup>5</sup> and Spirits<sup>6</sup>**

1. In Korea, the geographical indications of the United Kingdom listed in Annex 10-B shall be protected for those products which use these geographical indications in accordance with the relevant laws of the United Kingdom on geographical indications.
2. In the United Kingdom, the geographical indications of Korea listed in Annex 10-B shall be protected for those products which use these geographical indications in accordance with the relevant laws of Korea on geographical indications.

## ARTICLE 10.19

### **Right of Use**

A name protected under this Sub-section may be used by any operator marketing agricultural products, foodstuffs, wines, aromatised wines or spirits conforming to the corresponding specification.

## ARTICLE 10.20

### **Scope of Protection**

1. Geographical indications referred to in Articles 10.17 and 10.18 shall be protected against:

<sup>4</sup> Wines within the meaning of this Sub-section are products falling under heading 22.04 of the HS and which:

- (a) comply with *Council Regulation (EC) 1234/2007 of 22 October 2007, Commission Regulation (EC) 606/2009 of 10 July 2009 and Commission Regulation (EC) 607/2009 of 14 July 2009*, or legislation replacing it; or
- (b) comply with the *Agricultural Products Quality Control Act* (Act No. 9759, Jun. 9, 2009) and the *Liquor Tax Act* (Act No. 8852, Feb. 29, 2008) of Korea.

<sup>5</sup> Aromatised wines within the meaning of this Sub-section are products falling under heading 22.05 of the HS and which:

- (a) comply with *Council Regulation (EEC) No 1601/1991 of 10 June 1991*, or legislation replacing it; or
- (b) comply with the *Agricultural Products Quality Control Act* (Act No. 9759, Jun. 9, 2009) and the *Liquor Tax Act* (Act No. 8852, Feb. 29, 2008) of Korea.

<sup>6</sup> Spirits within the meaning of this Sub-section are products falling under heading 22.08 of the HS and which:

- (a) comply with *Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008*, and *Commission Regulation (EEC) No 1014/90 of 24 April 1990*, or legislation replacing it; or
- (b) comply with the *Agricultural Products Quality Control Act* (Act No. 9759, Jun. 9, 2009) and the *Liquor Tax Act* (Act No. 8852, Feb. 29, 2008) of Korea.

- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good;
- (b) the use of a geographical indication identifying a good for a like good<sup>7</sup> not originating in the place indicated by the geographical indication in question, even where the true origin of the good is indicated or the geographical indication is used in translation or transcription or accompanied by expressions such as "kind", "type", "style", "imitation" or the like; and
- (c) any other use which constitutes an act of unfair competition within the meaning of Article 10 bis of the Paris Convention.

2. This Agreement shall in no way prejudice the right of any person to use, in the course of trade, that person's name or the name of that person's predecessor in business, except where such name is used in such a manner as to mislead consumers.

3. If geographical indications of the Parties are homonymous, protection shall be granted to each indication provided that it has been used in good faith. The Working Group on Geographical Indications shall decide the practical conditions of use under which the homonymous geographical indications will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled. If a geographical indication protected through this Agreement is homonymous with a geographical indication of a third country, each Party shall decide the practical conditions of use under which the homonymous geographical indications will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.

4. Nothing in this Agreement shall oblige the United Kingdom or Korea to protect a geographical indication which is not or ceases to be protected in its country of origin or which has fallen into disuse in that country.

5. The protection of a geographical indication under this Article is without prejudice to the continued use of a trademark which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in the territory of a Party before the date of the application for protection or recognition of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the legislation of the Party concerned. The date of application for protection or recognition of the geographical indication is determined in accordance with Article 10.22.2.

<sup>7</sup> For all goods, the term "like good" shall be interpreted in line with Article 23.1 of the TRIPS Agreement relating to the use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question.



## ARTICLE 10.21

### **Enforcement of Protection**

The Parties shall enforce the protection provided for in Articles 10.17 through 10.22 on their own initiative by appropriate intervention of their authorities. They shall also enforce such protection at the request of an interested party.

## ARTICLE 10.22

### **Relationship with Trademarks**

1. The registration of a trademark that corresponds to any of the situations referred to in Article 10.20.1 in relation to a protected geographical indication for like goods, shall be refused or invalidated by the Parties, provided an application for registration of the trademark is submitted after the date of application for protection or recognition of the geographical indication in the territory concerned.

2. For the purposes of paragraph 1:

- (a) for geographical indications referred to in Articles 10.17 and 10.18, the date of application for protection or recognition shall be 1 July 2011 ; and
- (b) for geographical indications referred to in Article 10.23, the date of application for protection or recognition shall be the date of a Party's receipt of a request by the other Party to protect or recognise a geographical indication.

## ARTICLE 10.23

### **Addition of Geographical Indications for Protection<sup>8</sup>**

1. The United Kingdom and Korea agree to add geographical indications to be protected to the Annexes 10-A and 10-B in accordance with the procedure set out in Article 10.24.

<sup>8</sup> If a proposal is made by:

- (a) Korea for an originating product falling into the scope of the legislation of the United Kingdom set out under Article 10.17.2 and footnotes of Article 10.18; or
- (b) the United Kingdom for an originating product falling into the scope of the legislation of Korea set out under Article 10.17.1 and footnotes of Article 10.18,

to add a name of origin to this Agreement which has been recognised by either Party as a geographical indication within the meaning of Article 22.1 of the TRIPS Agreement through laws of either Party other than those referred to in Articles 10.17.1 and 10.17.2 and footnotes of Article 10.18, the Parties agree to examine whether the geographical indication can be added to this Agreement pursuant to this Sub-section.

2. The United Kingdom and Korea agree to process, without undue delay, the other's requests for adding geographical indications to be protected to the Annexes.

3. A name may not be registered as a geographical indication where it conflicts with the name of a plant variety, including a grape variety, or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.

#### ARTICLE 10.24

##### **Working Group on Geographical Indications**

1. The Working Group on Geographical Indications established pursuant to Article 15.3.1 (Working Groups) of the Agreement shall meet, as mutually agreed or upon request of a Party, for the purpose of intensifying cooperation between the Parties and dialogue on geographical indications. The Working Group may make recommendations and adopt decisions by consensus.

2. The location of the meeting shall alternate between the Parties. The Working Group shall meet at a time and a place and in a manner which may include by videoconference, mutually determined by the Parties, but no later than 90 days after the request.

3. The Working Group may decide:

- (a) to modify Annexes 10-A and 10-B to add individual geographical indications of the United Kingdom or Korea that, after having completed the relevant procedure referred to in Articles 10.17.3 and 10.17.4, where applicable, are also determined by the other Party to constitute geographical indications and will be protected in the territory of that other Party;
- (b) to modify<sup>9</sup> the Annexes referred to in subparagraph (a) to remove individual geographical indications that cease to be protected in the Party of origin<sup>10</sup> or that, in accordance with the applicable legislation, no longer meet the conditions to be considered a geographical indication in the other Party; and
- (c) that a reference to legislation in this Agreement should be taken to be a reference to that legislation as amended and replaced and in force at a particular date after the entry into force of this Agreement.

<sup>9</sup> This refers to the modification of the geographical indication as such, including the name and product category. Modifications of specifications as referred to in Articles 10.17.3 and 10.17.4 or modifications of the responsible control bodies as referred to in Article 10.17.6(d) remain the sole responsibility of the Party where a geographical indication originates. Such modifications may be communicated for information purposes.

<sup>10</sup> A decision to cease protection of a geographical indication remains the sole responsibility of the Party where the geographical indication originates.

4. The Working Group shall also ensure the proper functioning of this Sub-section and may consider any matter related to its implementation and operation. In particular, it shall be responsible for:

- (a) exchanging information on legislative and policy developments on geographical indications;
- (b) exchanging information on individual geographical indications for the purpose of considering their protection in accordance with this Agreement; and
- (c) exchanging information to optimise the operation of this Agreement.

5. The Working Group may discuss any matter of mutual interest in the area of geographical indications.

#### ARTICLE 10.25

### **Individual Applications for Protection of Geographical Indications**

The provisions of this Sub-section are without prejudice to the right to seek recognition and protection of a geographical indication under the relevant legislation of the United Kingdom or Korea.

#### SUB-SECTION D

### **DESIGNS**

#### ARTICLE 10.26

### **Protection of Registered Designs**

1. The United Kingdom and Korea shall provide for the protection of independently created designs that are new and that are original or have individual character<sup>11</sup>.

<sup>11</sup> Korea considers designs not to be new if an identical or similar design has been publicly known or publicly worked before the application for design registration is filed. Korea considers designs not to be original if they could have been easily created from the combinations of designs that have been publicly known or publicly worked before the application for design registration is filed. The United Kingdom considers designs not to be new if an identical design has been made available to the public before the filing date of a registered design or before the date of disclosure of an unregistered design. The United Kingdom considers design not to have individual character if the overall impression it produces on the informed users does not differ from the overall impression produced on such a user by any design which has been made available to the public.

2. This protection shall be provided by registration, and shall confer exclusive rights upon their holders in accordance with this Sub-section.

#### ARTICLE 10.27

##### **Rights Conferred by Registration**

The owner of a protected design shall have the right to prevent third parties not having the owner's consent, at least from making, offering for sale, selling, importing, exporting or using articles bearing or embodying the protected design when such acts are undertaken for commercial purposes, unduly prejudice the normal exploitation of the design, or are not compatible with fair trade practice.

#### ARTICLE 10.28

##### **Protection Conferred to Unregistered Appearance**

The United Kingdom and Korea shall provide the legal means to prevent the use of the unregistered appearance of a product, only if the contested use results from copying the unregistered appearance of such product<sup>12</sup>. Such use shall at least cover presenting<sup>13</sup>, importing or exporting goods.

#### ARTICLE 10.29

##### **Term of Protection**

1. The duration of protection available in the Parties following registration shall amount to at least 15 years.

2. The duration of protection available in the United Kingdom and Korea for unregistered appearance shall amount to at least three years.

<sup>12</sup> For the purposes of this Article, the United Kingdom and Korea consider that "unregistered design" and "unregistered appearance" have a similar meaning. The conditions for protection of "unregistered design" or "unregistered appearance" are provided for:

- (a) by Korea in the *Unfair Competition Prevention and Trade Secret Protection Act* (Act No. 8767, Dec. 21, 2007); and
- (b) by the United Kingdom in *Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs*, as last amended by *Council Regulation (EC) No 1891/2006 of 18 December 2006*.

<sup>13</sup> For the purposes of this Article, the United Kingdom considers "presenting" as "offering" or "putting on the market" and Korea considers "presenting" as "assigning, leasing or exhibition for assigning or leasing".

## ARTICLE 10.30

### **Exceptions**

1. The United Kingdom and Korea may provide limited exceptions to the protection of designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.
2. Design protection shall not extend to designs dictated essentially by technical or functional considerations<sup>14</sup>.
3. A design right shall not subsist in a design which is contrary to public policy or to accepted principles of morality.

## ARTICLE 10.31

### **Relationship with Copyright**

A design protected by a design right registered in the United Kingdom or in Korea in accordance with this Sub-section shall also be eligible for protection under the law of copyright applicable in the territory of the Parties as from the date on which the design was created or fixed in any form<sup>15</sup>.

## SUB-SECTION E

### **PATENTS**

## ARTICLE 10.32

### **International Agreement**

The Parties shall make all reasonable efforts to comply with articles 1 through 16 of the *Patent Law Treaty* (2000).

---

<sup>14</sup> For the purposes of this Article, in the United Kingdom an ‘unregistered design’ is the Community unregistered design which is protected by Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs. The Parties shall refer to the Understanding on Footnote 14 on Article 10.30 of the Intellectual Property Chapter in the interpretation of footnote 14.

<sup>15</sup> The protection of a design under the law of copyright is not granted automatically, but granted only if a design qualifies for protection in accordance with the law of copyright.

## ARTICLE 10.33

### **Patents and Public Health**

1. The Parties recognise the importance of the *Declaration on the TRIPS Agreement and Public Health*, adopted on 14 November 2001 (hereinafter referred to as the "Doha Declaration") by the Ministerial Conference of the WTO. In interpreting and implementing the rights and obligations under this Sub-section, the Parties are entitled to rely upon the Doha Declaration.

2. Each Party shall contribute to the implementation of and shall respect the *Decision of the WTO General Council of 30 August 2003* on paragraph 6 of the Doha Declaration, as well as the *Protocol amending the TRIPS Agreement*, done at Geneva on 6 December 2005.

## ARTICLE 10.34

### **Extension of the Duration of the Rights Conferred by Patent Protection**

1. The Parties recognise that pharmaceutical products<sup>16</sup> and plant protection products<sup>17</sup> protected by a patent in their respective territories are subject to an administrative authorisation or registration procedure before being put on their markets.

2. The Parties shall provide, at the request of the patent owner, for the extension of the duration of the rights conferred by the patent protection to compensate the patent owner for the reduction in the effective patent life as a result of the first authorisation to place the product on their respective markets. The extension of the duration of the rights conferred by the patent protection may not exceed five years<sup>18</sup>.

<sup>16</sup> As defined in Annex 2-D (Pharmaceutical Products and Medical Devices).

<sup>17</sup> Plant protection products, in the form in which they are supplied to the user, consist of or contain active substances, safeners or synergists, and are intended for one of the following uses:

- (a) protecting plants or plant products against all harmful organisms or preventing the action of such organisms, unless the main purpose of these products is considered to be for reasons of hygiene rather than for the protection of plants or plant products;
- (b) influencing the life processes of plants, such as substances influencing their growth, other than as a nutrient;
- (c) preserving plant products, in so far as such substances or products are not subject to the United Kingdom's special provisions on preservatives;
- (d) destroying undesired plants or parts of plants, except algae unless the products are applied on soil or water to protect plants; or
- (e) checking or preventing undesired growth of plants, except algae unless the products are applied on soil or water to protect plants.

<sup>18</sup> This is without prejudice to a possible extension for paediatric use, if provided for by the Parties.

#### ARTICLE 10.35

##### **Protection of Data Submitted to Obtain a Marketing Authorisation for Pharmaceutical<sup>19</sup> Products**

1. The Parties shall guarantee the confidentiality, non-disclosure of and non-reliance on data submitted for the purpose of obtaining an authorisation to put a pharmaceutical product on the market.
2. For that purpose, the Parties shall ensure in their respective legislation that data, as referred to in Article 39 of the TRIPS Agreement, concerning safety and efficacy, submitted for the first time by an applicant to obtain a marketing authorisation for a new pharmaceutical product in the territory of the respective Parties, is not used for granting another marketing authorisation for a pharmaceutical product, unless proof of the explicit consent of the marketing authorisation holder to use these data is provided.
3. The period of data protection should be at least five years starting from the date of the first marketing authorisation obtained in the territory of the respective Parties.

#### ARTICLE 10.36

##### **Protection of Data Submitted to Obtain a Marketing Authorisation for Plant Protection Products**

1. The Parties shall determine safety and efficacy requirements before authorising the placing on their respective markets of plant protection products.
2. The Parties shall ensure that tests, study reports or information submitted for the first time by an applicant to obtain a marketing authorisation for a plant protection product are not used by third parties or relevant authorities for the benefit of any other person aiming at achieving a marketing authorisation for a plant protection product, unless proof of the explicit consent of the first applicant to use these data is provided. This protection will be hereinafter referred to as data protection.
3. The period of data protection should be at least 10 years starting from the date of the first marketing authorisation in the respective Parties.

<sup>19</sup> As defined in Annex 2-D (Pharmaceutical Products and Medical Devices).

## ARTICLE 10.37

### **Implementation**

The Parties shall take the necessary measures to ensure full effectiveness of the protection foreseen in this Sub-section and actively cooperate and engage in a constructive dialogue in that regard.

## SUB-SECTION F

### **OTHER PROVISIONS**

## ARTICLE 10.38

### **Plant Varieties**

Each Party shall provide for the protection of plant varieties and comply with the *International Convention for the Protection of New Varieties of Plants* (1991).

## ARTICLE 10.39

### **Genetic Resources, Traditional Knowledge and Folklore**

1. Subject to their legislation, the Parties shall respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the involvement and approval of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilisation of such knowledge, innovations and practices.

2. The Parties agree to regularly exchange views and information on relevant multilateral discussions:

- (a) in WIPO, on the issues dealt with in the framework of the Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Folklore;
- (b) in the WTO, on the issues related to the relationship between the TRIPS Agreement and the *Convention on Biological Diversity* (hereinafter referred to as the "CBD"), and the protection of traditional knowledge and folklore; and
- (c) in the CBD, on the issues related to an international regime on access to genetic resources and benefit sharing.



3. Following the conclusion of the relevant multilateral discussions referred to in paragraph 2, the Parties agree, at the request of either Party, to review this Article in the Trade Committee in the light of the results and conclusion of such multilateral discussions. The Trade Committee may adopt any decision necessary to give effect to the results of the review.

## SECTION C

### **ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

#### ARTICLE 10.40

##### **General Obligations**

1. The Parties reaffirm their commitments under the TRIPS Agreement, and in particular Part III thereof and shall ensure that the following complementary measures, procedures and remedies are available under their legislation so as to permit effective action against any act of infringement of intellectual property rights<sup>20</sup> covered by this Agreement.

2. Those measures, procedures and remedies shall:

- (a) include expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements;
- (b) be fair and equitable;
- (c) not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays; and
- (d) be effective, proportionate and dissuasive, and be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

#### ARTICLE 10.41

##### **Entitled Applicants**

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Section and in Part III of the TRIPS Agreement:

<sup>20</sup> As defined in Article 10.2.2(a) through (h).

- (a) the holders of intellectual property rights in accordance with the provisions of the applicable law;
- (b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by, and in accordance with, the provisions of the applicable law;
- (c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by, and in accordance with, the provisions of the applicable law; and
- (d) a federation or an association having the legal standing and authority to assert those rights, in so far as permitted by, and in accordance with, the provisions of the applicable law.

#### SUB-SECTION A

### **CIVIL MEASURES, PROCEDURES AND REMEDIES**

#### ARTICLE 10.42

##### **Evidence**

Each Party shall take such measures as necessary, in the case of an infringement of an intellectual property right committed on a commercial scale, to enable the competent judicial authorities to order, where appropriate and following a party's application, the submission of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

#### ARTICLE 10.43

##### **Provisional Measures for Preserving Evidence**

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support its claims that its intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.
2. Each Party may provide that such measures include the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and in appropriate cases, the materials and implements used in the production or

distribution of these goods and the documents relating thereto. Those measures shall be taken, if necessary without the other party being heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

#### ARTICLE 10.44

##### **Right of Information**

1. Each Party shall ensure that, during civil proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order the infringer and/or any other person which is party to a litigation or a witness therein to provide information on the origin and distribution networks of the goods or services which infringe an intellectual property right.

- (a) "Any other person" in this paragraph means a person who:
  - (i) was found in possession of the infringing goods on a commercial scale;
  - (ii) was found to be using the infringing services on a commercial scale;
  - (iii) was found to be providing on a commercial scale services used in infringing activities; or
  - (iv) was indicated by the person referred to in this subparagraph as being involved in the production, manufacture or distribution of the goods or the provision of the services.
- (b) Information shall, as appropriate, comprise:
  - (i) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers; or
  - (ii) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

2. This Article shall apply without prejudice to other statutory provisions which:

- (a) grant the right holder rights to receive fuller information;

- (b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;
- (c) govern responsibility for misuse of the right of information;
- (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit his own participation or that of his close relatives in an infringement of an intellectual property right; or
- (e) govern the protection of confidentiality of information sources or the processing of personal data.

#### ARTICLE 10.45

##### **Provisional and Precautionary Measures**

1. Each Party shall ensure that the judicial authorities may, at the request of the applicant, issue an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by its legislation, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued against an intermediary<sup>21</sup> whose services are being used by a third party to infringe copyright, related rights, trademarks or geographical indications.

2. An interlocutory injunction may also be issued to order the seizure of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.

3. In the case of an infringement committed on a commercial scale, each Party shall ensure that, if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of bank accounts and other assets.

#### ARTICLE 10.46

##### **Corrective Measures**

1. Each Party shall ensure that the competent judicial authorities may order, at the request of the applicant and without prejudice to any damages to the right holder

<sup>21</sup> For the purposes of this paragraph, the scope of "intermediary" is determined in each Party's legislation, but shall include those who deliver or distribute infringing goods, and also where appropriate, include online service providers.

by reason of the infringement, and without compensation of any sort, destruction of goods that they have found to be infringing an intellectual property right or any other measures to definitively remove those goods from the channels of commerce. If appropriate, the competent judicial authorities may also order destruction of materials and implements principally used in the creation or manufacture of those goods.

2. The judicial authorities shall order that those measures be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

3. In considering a request for corrective measures, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account.

#### ARTICLE 10.47

##### **Injunctions**

1. Each Party shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement.

2. Where provided for by law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Each Party shall also ensure that right holders are in a position to apply for an injunction against intermediaries<sup>22</sup> whose services are being used by a third party to infringe copyright, related rights, trademarks or geographical indications.

#### ARTICLE 10.48

##### **Alternative Measures**

Each Party may provide that, in appropriate cases and at the request of the person liable to be subject to the measures provided for in Article 10.46 or 10.47, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in Article 10.46 or 10.47 if that person acted unintentionally and without negligence, if execution of the measures in question would cause him or her disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

<sup>22</sup> For the purposes of this paragraph, the scope of "intermediary" is determined in each Party's legislation, but shall include those who deliver or distribute infringing goods, and also where appropriate, include online service providers.

## ARTICLE 10.49

### **Damages**

1. Each Party shall ensure that when the judicial authorities set damages:
  - (a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the right holder by the infringement; or
  - (b) as an alternative to subparagraph (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.
2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, the Parties may provide that the judicial authorities may order the recovery of profits or the payment of damages which may be pre-established.
3. In civil judicial proceedings, each Party, at least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark counterfeiting, may establish or maintain pre-established damages, which shall be available on the election of the right holder.

## ARTICLE 10.50

### **Legal Costs**

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall as a general rule be borne by the unsuccessful party, unless equity does not allow as such.

## ARTICLE 10.51

### **Publication of Judicial Decisions**

In cases of infringement of an intellectual property right, each Party shall ensure that the judicial authorities may order, where appropriate, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part. Each Party may provide for other additional publicity

measures which are appropriate to the particular circumstances, including prominent advertising.

#### ARTICLE 10.52

##### **Presumption of Authorship or Ownership**

In civil proceedings involving copyright or related rights, each Party shall provide for a presumption that, in the absence of proof to the contrary, the person or entity whose name is indicated as the author or related right holder of the work or subject matter in the usual manner is the designated right holder in such work or subject matter.

#### SUB-SECTION B

##### **CRIMINAL ENFORCEMENT**

#### ARTICLE 10.53

##### **Scope of Criminal Enforcement**

Each Party shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting and copyright and related rights<sup>23</sup> piracy on a commercial scale.

#### ARTICLE 10.54

##### **Geographical Indications and Designs Counterfeiting**

Subject to its national or constitutional law and regulations, each Party shall consider adopting measures to establish the criminal liability for counterfeiting geographical indications and designs.

#### ARTICLE 10.55

##### **Liability of Legal Persons**

1. Each Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability of legal persons for the offences referred to in Article 10.53.

<sup>23</sup> The term "related rights" is defined by each Party in accordance with its international obligations.

2. Such liability shall be without prejudice to the criminal liability of the natural persons who have committed the criminal offences.

#### ARTICLE 10.56

##### **Aiding and Abetting**

The provisions of this Sub-section shall apply to aiding and abetting of the offences referred to in Article 10.53.

#### ARTICLE 10.57

##### **Seizure**

In case of an offence referred to in Article 10.53, each Party shall provide that its competent authorities shall have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implements predominantly used in the commission of the alleged offence, documentary evidence relevant to the alleged offence and any assets derived from, or obtained directly or indirectly through, the infringing activity.

#### ARTICLE 10.58

##### **Penalties**

For the offences referred to in Article 10.53, each Party shall provide for penalties that include sentences of imprisonment and/or monetary fines that are effective, proportionate and dissuasive.

#### ARTICLE 10.59

##### **Confiscation**

1. For the offences referred to in Article 10.53, each Party shall provide that its competent authorities shall have the authority to order confiscation and/or destruction of all counterfeit trademark goods or pirated copyright goods, materials and implements predominantly used in the creation of counterfeit trademark goods or pirated copyright goods and the assets derived from, or obtained directly or indirectly through, the infringing activity.

2. Each Party shall ensure that the counterfeit trademark goods and pirated copyright goods that have been confiscated under this Article shall, if not destroyed, be disposed of outside the channels of commerce, under the condition that the goods are not dangerous for the health and security of persons.



3. Each Party shall further ensure that confiscation and destruction under this Article shall occur without compensation of any kind of the defendant.

4. Each Party may provide that its judicial authorities have the authority to order the confiscation of assets the value of which corresponds to that of such assets derived from, or obtained directly or indirectly through, the infringing activity.

#### ARTICLE 10.60

### **Rights of Third Parties**

Each Party shall ensure that the rights of third parties shall be duly protected and guaranteed.

#### SUB-SECTION C

### **LIABILITY OF ONLINE SERVICE PROVIDERS**

#### ARTICLE 10.61

### **Liability of Online Service Providers<sup>24</sup>**

The Parties recognise that the services of intermediaries may be used by third parties for infringing activities. To ensure the free movement of information services and at the same time enforce intellectual property rights in the digital environment, each Party shall provide for the measures set out in Articles 10.62 through 10.65 for intermediary service providers where they are in no way involved with the information transmitted.

#### ARTICLE 10.62

### **Liability of Online Service Providers: "Mere Conduit"**

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, or the provision of access to a communication network, the Parties shall ensure that the service provider is not liable for the information transmitted, on condition that the provider:

<sup>24</sup> For the purposes of the function referred to in Article 10.62, service provider means a provider of transmission, routing, or connections for digital online communications without modification of their content between or among points specified by the user of material of the user's choosing, and for the purpose of the functions referred to in Articles 10.63 and 10.64 service provider means a provider or operator of facilities for online services or network access.

- (a) does not initiate the transmission;
- (b) does not select the receiver of the transmission; and
- (c) does not select or modify the information contained in the transmission.

2. The acts of transmission and of provision of access referred to in paragraph 1 include the automatic, intermediate and transient storage of the information transmitted in so far as such storage takes place for the sole purpose of carrying out the transmission in the communication network, and provided that the information is not stored for any period longer than is reasonably necessary for the transmission.

3. This Article shall not affect the possibility, in accordance with the Parties' legal systems, of a judicial or administrative authority requiring the service provider to terminate or prevent an infringement.

#### ARTICLE 10.63

##### **Liability of Online Service Providers: "Caching"**

1. Where an information society service is provided that consists of the transmission in a communication network of information provided by a recipient of the service, the Parties shall ensure that the service provider is not liable for the automatic, intermediate and temporary storage of that information, performed for the sole purpose of making more efficient the information's onward transmission to other recipients of the service upon their request, on condition that the provider:

- (a) does not modify the information;
- (b) complies with conditions on access to the information;
- (c) complies with rules regarding updating of the information, specified in a manner widely recognised and used by industry;
- (d) does not interfere with the lawful use of technology, widely recognised and used by industry, to obtain data on the use of the information; and
- (e) acts expeditiously to remove or to disable access to the information it has stored upon obtaining actual knowledge of the fact that the information at the initial source of the transmission has been removed from the network, or access to it has been disabled, or that a judicial or an administrative authority has ordered such removal or disablement.

2. This Article shall not affect the possibility, in accordance with the Parties' legal systems, of a judicial or administrative authority requiring the service provider to terminate or prevent an infringement.

#### ARTICLE 10.64

##### **Liability of Online Service Providers: "Hosting"**

1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, the Parties shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that the provider:

- (a) does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or
- (b) upon obtaining such knowledge or awareness acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.

3. This Article shall not affect the possibility, in accordance with the Parties' legal systems, of a judicial or administrative authority requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility of the Parties establishing procedures governing the removal or disabling of access to information.

#### ARTICLE 10.65

##### **No General Obligation to Monitor**

1. The Parties shall not impose a general obligation on providers, when providing the services covered by Articles 10.62 through 10.64, to monitor the information which they transmit or store, nor a general obligation to actively seek facts or circumstances indicating illegal activity.

2. The Parties may establish obligations for information society service providers to promptly inform the competent authorities of alleged illegal activities undertaken or information provided by recipients of their service, or to communicate to the competent authorities, at their request, information enabling the identification of recipients of their service with whom they have storage agreements.

## SUB-SECTION D

### OTHER PROVISIONS

#### ARTICLE 10.66

##### Border Measures

1. Each Party shall, unless otherwise provided for in this Section, adopt procedures<sup>25</sup> to enable a right holder, who has valid grounds for suspecting that the importation, exportation, re-exportation, customs transit, transshipment, placement under a free zone<sup>26</sup>, placement under a suspensive procedure<sup>27</sup> or a bonded warehouse of goods infringing an intellectual property right<sup>28</sup> may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation or the detention of such goods.

2. The Parties shall provide that when the customs authorities, in the course of their actions and before an application has been lodged by a right holder or granted, have sufficient grounds for suspecting that goods infringe an intellectual property right, they may suspend the release of the goods or detain them in order to enable the right holder to submit an application for action in accordance with the paragraph 1.

<sup>25</sup> It is understood that there shall be no obligation to apply such procedures to imports of goods put on the market in another country by or with the consent of the right holder.

<sup>26</sup> "customs transit, transshipment and placement under a free zone" as defined in the Kyoto Convention.

<sup>27</sup> For Korea, "placement under a suspensive procedure" includes temporary importation and bonded factory. For the United Kingdom, "placement under a suspensive procedure" includes temporary importation, inward processing and processing under customs control.

<sup>28</sup> For the purposes of this Article, **goods infringing an intellectual property right** means:

- (a) counterfeit goods, which are:
  - (i) goods, including packaging, bearing without authorisation a trademark identical to the trademark duly registered in respect of the same type of goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the trademark holder's rights;
  - (ii) any trademark symbol (logo, label, sticker, brochure, instructions for use or guarantee document), even if presented separately, on the same conditions as the goods referred to in subparagraph (a)(i); or
  - (iii) packaging materials bearing the trademarks of counterfeit goods, presented separately, on the same conditions as the goods referred to in subparagraph (a)(i);
- (b) pirated copyright goods, which are or contain copies made without the consent of the right holder, or of a person duly authorised by the right holder in the country of production, of a copyright or related right, regardless of whether it is registered in each Party's legislation; or
- (c) goods which, according to the legislation of the Party in which the application for customs action is made, infringe:
  - (i) a patent;
  - (ii) a plant variety right;
  - (iii) a registered design; or
  - (iv) a geographical indication.

3. Any rights or obligations established in the implementation of Section 4 of Part III of the TRIPS Agreement concerning the importer shall also be applicable to the exporter or if necessary to the holder<sup>29</sup> of the goods.

#### ARTICLE 10.67

##### **Codes of Conduct**

The Parties shall encourage:

- (a) the development by trade or professional associations or organisations of codes of conduct aimed at contributing towards the enforcement of intellectual property rights, particularly by recommending the use on optical discs of a code enabling the identification of the origin of their manufacture; and
- (b) the submission to the competent authorities of the Parties of draft codes of conduct and of any evaluations of the application of these codes of conduct.

#### ARTICLE 10.68

##### **Cooperation**

1. The Parties agree to cooperate with a view to supporting implementation of the commitments and obligations undertaken under this Chapter. Areas of cooperation include, but are not limited to, the following activities:

- (a) exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement; exchange of experiences on legislative progress;
- (b) exchange of experiences on enforcement of intellectual property rights;
- (c) exchange of experiences on enforcement at central and sub-central level by customs, police, administrative and judiciary bodies; co-ordination to prevent exports of counterfeit goods, including with other countries;
- (d) capacity-building; and

<sup>29</sup> Including at least the person who is the owner of the goods or the person who has a similar right of disposal over them.

- (e) promotion and dissemination of information on intellectual property rights in, *inter alia*, business circles and civil society; promotion of public awareness of consumers and right holders.

2. Without prejudice and as a complement to paragraph 1, the United Kingdom and Korea agree to establish and maintain an effective dialogue on intellectual property issues (IP Dialogue) to address topics relevant to the protection and enforcement of intellectual property rights covered by this Chapter, and any other relevant issue.

**ANNEX 10-A**

**GEOGRAPHICAL INDICATIONS FOR AGRICULTURAL PRODUCTS  
AND FOODSTUFFS**

**PART A**

**AGRICULTURAL PRODUCTS AND FOODSTUFFS ORIGINATING IN  
THE UNITED KINGDOM**

(as referred to in Article 10.17.4)

PART B

**AGRICULTURAL PRODUCTS AND FOODSTUFFS ORIGINATING IN KOREA**

(as referred to in Article 10.17.3)

Name to be protected	Product	Transcription Latin alphabet	into
보성녹차 (Boseong Green Tea)	Green Tea	Boseong Nokcha	
하동녹차 (Hadong Green Tea)	Green Tea	Hadong Nokcha	
고창복분자주 (Gochang Black Raspberry Wine)	Black Raspberry Wine	Gochang Bokbunjaju	
서산마늘 (Seosan Garlic)	Garlic	Seosan Maneul	
영양고춧가루 (Yeongyang Red Pepper Powder)	Red Pepper Powder	Yeongyang Gochutgaru	
의성마늘 (Uiseong Garlic)	Garlic	Uiseong Maneul	
괴산고추 (Goesan Red Pepper Dried)	Red Pepper	Goesan Gochu	
순창전통고추장 (Sunchang Traditional Gochujang)	Gochujang	Sunchang Gochujang	Jeontong



Name to be protected	Product	Transcription into Latin alphabet
괴산고춧가루 (Goesan Red Pepper Powder)	Red Pepper Powder	Goesan Gochutgaru
성주참외 (Seongju Chamoe)	Oriental Melon	Seongju Chamoe
해남겨울배추 (Haenam Winter Baechu)	Chinese Cabbage	Haenam Gyeoul Baechu
이천쌀 (Icheon Rice)	Rice	Icheon Ssal
철원쌀 (Cheorwon Rice)	Rice	Cheorwon Ssal
고흥유자 (Goheung Yuja)	Citron	Goheung Yuja
홍천찰옥수수 (Hongcheon Waxy Corn)	Waxy Corn	Hongcheon Charoksusu
강화약쑥 (Ganghwa Mugwort)	Mugwort	Ganghwa Yakssuk
횡성한우고기 (Hoengseong Hanwoo Beef)	Beef	Hoengseong Hanwoogogi
제주돼지고기 (Jeju Pork)	Pork	Jeju Dwaejigogi
고려홍삼 (Korean Red Ginseng)	Red Ginseng	Goryeo Hongsam
고려백삼 (Korean White Ginseng)	White Ginseng	Goryeo Baeksam
고려태극삼 (Korean Taekuk Ginseng)	Taekuk Ginseng	Goryeo Taekuksam
충주사과 (Chungju Apple)	Apple	Chungju Sagwa

Name to be protected	Product	Transcription into Latin alphabet
밀양얼음골사과 (Miryang Eoreumgol Apple)	Apple	Miryang Eoreumgol Sagwa
정선험기 (Jeongseon Hwanggi)	Milk Vetch Root	Jeongseon Hwanggi
남해마늘 (Namhae Garlic)	Garlic	Namhae Maneul
단양마늘 (Danyang Garlic)	Garlic	Danyang Maneul
창녕양파 (Changnyeong Onion)	Onion	Changnyeong Yangpa
무안양파 (Muan Onion)	Onion	Muan Yangpa
여주쌀 (Yeoju Rice)	Rice	Yeoju Ssal
무안백련차 (Muan White Lotus Tea)	White Lotus Tea	Muan Baengnyeoncha
청송사과 (Cheongsong Apple)	Apple	Cheongsong Sagwa
고창복분자 (Gochang Black Raspberry)	Black Raspberry	Gochang Bokbunja
광양매실 (Gwangyang Maesil)	Apricot	Gwangyang Maesil
정선찰옥수수 (Jeongseon Waxy Corn)	Waxy Corn	Jeongseon Charoksusu
진부당귀 (Chinbu Dangui)	Angelica Gigas Nakai Root	Chinbu Dangui
고려수삼 (Korean Fresh Ginseng)	Fresh Ginseng	Goryeo Susam

Name to be protected	Product	Transcription into Latin alphabet
청양고추 (Cheongyang Hot Pepper)	Red Pepper	Cheongyang Gochu
청양고춧가루 (Cheongyang Powdered Hot Pepper)	Red Pepper Powder	Cheongyang Gochutgaru
해남고구마 (Haenam Sweet Potato)	Sweet Potato	Haenam Goguma
영암무화과 (Yeongam Fig)	Fig	Yeongam Muhwagwa
여주고구마 (Yeoju Sweet Potato)	Sweet Potato	Yeoju Goguma
함안수박 (Haman Watermelon)	Watermelon	Haman Subak
고려인삼제품 (Korean Ginseng Products)	White or Taekuk Ginseng Products	Goryeo Insamjepum
고려홍삼제품 (Korean Red Ginseng Products)	Red Ginseng Products	Goryeo Hongsamjepum
군산찰쌀보리쌀 (Gunsan Glutinous Barley)	Barley	Gunsan Chalssalborissal
제주녹차 (Jeju Green Tea)	Green Tea	Jeju Nokcha
홍천한우 (Hongcheon Hanwoo)	Beef	Hongcheon Hanwoo
양양송이버섯 (Yangyang Pine-mushroom)	Pine-mushroom	Yangyang Songibeoseot
장흥표고버섯 (Jangheung Oak-mushroom)	Oak-mushroom	Jangheung Pyogobeoseot
산청곶감 (Sancheong Persimmon Dried)	Persimmon Dried	Sancheong Gotgam

Name to be protected	Product	Transcription into Latin alphabet
정안밤 (Jeongan Chestnut)	Chestnut	Jeongan Bam
울릉도삼나무 (Ulleungdo Samnamul)	Aruncus dioicus	Ulleungdo Samnamul
울릉도미역취 (Ulleungdo Miyeokchwi)	Golden rod	Ulleungdo Miyeokchwi
울릉도참고비 (Ulleungdo Chamgobi)	Fern	Ulleungdo Chamgobi
울릉도부지개이 (Ulleungdo Bujigaengi)	Aster	Ulleungdo Bujigaengi
경산대추 (Gyeongsan Jujube)	Jujube (date)	Gyeongsan Daechu
봉화송이 (Bonghwa Pine-mushroom)	Pine-mushroom	Bonghwa Songi
청양구기자 (Cheongyang Gugija)	Boxthorn	Cheongyang Gugija
상주곶감 (Sangju Persimmon Dried)	Persimmon Dried	Sangju Gotgam
남해창선고사리 (Namhae Changsun Fern)	Fern	Namhae Changsun Gosari
영덕송이 (Yeongdeok Pine-mushroom)	Pine-mushroom	Yeongdeok Songi
구례산수유 (Gurye Corni fructus)	Corni fructus	Gurye Sansuyu
광양백운산 고로쇠(Gwangyang baekunsan Acer mono sap)	Sap	Gwangyang baekunsan Gorosoe

**ANNEX 10-B**

**GEOGRAPHICAL INDICATIONS FOR WINES, AROMATISED WINES  
AND SPIRITS**

**PART A**

**WINES, AROMATISED WINES AND SPIRITS ORIGINATING IN THE  
UNITED KINGDOM**

(as referred to in Article 10.18.1)

**SPIRITS<sup>1</sup>**

Name to be protected	Transcription into Korean alphabet
Scotch Whisky	스카치 위스키
Irish Whiskey/Irish Whisky <sup>2</sup>	아이리쉬 위스키 (양주의 일종)

<sup>1</sup> Where a geographical indication is presented as follows: ‘Irish Whiskey/Irish Whisky’, this means that both terms can be used together, or each one on its own.

<sup>2</sup> The geographical indication Irish Whiskey/Irish Whisky may be used by any operator marketing the spirit conforming to the corresponding specification under Article 10.20 of the Korea-EU FTA. In case, notwithstanding the entry into force of this Agreement, the domestic procedure of Korea required for protecting the geographical indication Irish Whiskey/Irish Whisky is not completed, the provisions relating to the protection of the geographical indication Irish Whiskey/Irish Whisky in Chapter 10 shall be applied from the date of the completion of the domestic procedure of Korea. Korea will expedite the domestic process consistent with its statutory procedures.

PART B

**WINES, AROMATISED WINES AND SPIRITS ORIGINATING IN KOREA**

(as referred to in Article 10.18.2)

**SPIRITS**

Name to be protected	Transcription into Latin alphabet
진도홍주 (Jindo Hongju)	Jindo Hongju

## **UNDERSTANDING ON FOOTNOTE 14 TO ARTICLE 10.30 OF THE INTELLECTUAL PROPERTY CHAPTER**

During discussions on Chapter Ten (Intellectual Property) of this Agreement, the Parties discussed the need for the inclusion of new footnote 14 to Article 10.30 for the purposes of clarification and to preserve the status quo.

The Parties share the understanding that two types of unregistered design right operate alongside one another in the United Kingdom: a national Unregistered Design Right, provided for by Part III, Copyright, Designs and Patents Act 1988 and a Community Unregistered Design right provided for by EU Regulation (EC) No 6/2002 on Community designs.

The Parties agree that Article 10.30 of this Agreement only applies to the European Union's Community unregistered design right as retained in the United Kingdom's law through the European Union (Withdrawal) Act 2018 after the United Kingdom leaves the European Union. The Parties recognise that this is because the Korea-EU FTA only applies to the Community unregistered design right.

Based on this understanding, the Parties agree that footnote 14 provides this clarification.

The United Kingdom confirms that the inclusion of footnote 14 does not affect the conditions under which a design qualifies for protection as a national unregistered design right or a Community unregistered design right as retained in the United Kingdom's law through the European Union (Withdrawal) Act 2018 (referred to above). Accordingly, the United Kingdom intends that those Korean businesses or persons eligible to use these rights previously will continue to be able to do so after the United Kingdom leaves the European Union.

This Understanding shall constitute an integral part of this Agreement.

## CHAPTER ELEVEN

### COMPETITION

#### SECTION A

### COMPETITION

#### ARTICLE 11.1

##### **Principles**

1. The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties undertake to apply their respective competition laws so as to prevent the benefits of the trade liberalisation process in goods, services and establishment from being removed or eliminated by anti-competitive business conduct or anti-competitive transactions.

2. The Parties shall maintain in their respective territories comprehensive competition laws which effectively address restrictive agreements, concerted practices<sup>1</sup> and abuse of dominance by one or more enterprises, and which provide effective control of concentrations between enterprises.

3. The Parties agree that the following activities restricting competition are incompatible with the proper functioning of this Agreement, in so far as they may affect trade between them:

- (a) agreements between enterprises, decisions by associations of enterprises and concerted practices, which have as their object or effect the prevention, restriction or distortion of competition in the territory of either Party as a whole or in a substantial part thereof;
- (b) any abuse by one or more enterprises of a dominant position in the territory of either Party as a whole or in a substantial part thereof; or
- (c) concentrations between enterprises, which significantly impede effective competition, in particular as a result of the creation or strengthening of a dominant position in the territory of either Party as a whole or in a substantial part thereof.

<sup>1</sup> The application of this Article to concerted practices is determined by each Party's competition laws.



## ARTICLE 11.2

### **Definitions**

For the purposes of this Section, **competition laws** means:

- (a) for the United Kingdom, the Competition Act 1998 (c. 41), and Parts 3 and 6 and section 204 of, and Schedules 7, 8, and 10 to, the Enterprise Act 2002 (c.40), and any subordinate legislation made under those provisions, as amended from time to time;
- (b) for Korea, the *Monopoly Regulation and Fair Trade Act* and its implementing regulations and amendments; and
- (c) any changes that instruments set out in this Article may undergo after the entry into force of this Agreement.

## ARTICLE 11.3

### **Implementation**

1. The Parties shall maintain an authority or authorities responsible for, and appropriately equipped for, the implementation of the competition laws set out in Article 11.2.
2. The Parties recognise the importance of applying their respective competition laws in a transparent, timely and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the parties concerned.
3. Upon request of a Party, the other Party shall make available to the requesting Party public information concerning its competition law enforcement activities and legislation related to the obligations covered by this Section.

## ARTICLE 11.4

### **Public Enterprises and Enterprises Entrusted with Special Rights<sup>2</sup> or Exclusive Rights**

1. With respect to public enterprises and enterprises entrusted with special rights or exclusive rights:
  - (a) neither Party shall adopt or maintain any measure contrary to the principles

<sup>2</sup> Special rights are granted by a Party when it designates or limits to two or more the number of enterprises authorised to provide goods or services, other than according to objective, proportional and non-discriminatory criteria, or confers on enterprises legal or regulatory advantages which substantially affect the ability of any other enterprise to provide the same goods or services.

contained in Article 11.1; and

- (b) the Parties shall ensure that such enterprises are subject to the competition laws set out in Article 11.2,

in so far as the application of these principles and competition laws does not obstruct the performance, in law or in fact, of the particular tasks assigned to them.

- 2. Nothing in paragraph 1 shall be construed to prevent a Party from establishing or maintaining a public enterprise, entrusting enterprises with special or exclusive rights or maintaining such rights.

#### ARTICLE 11.5

##### **State Monopolies**

- 1. Each Party shall adjust state monopolies of a commercial character so as to ensure that no discriminatory measure<sup>3</sup> regarding the conditions under which goods are procured and marketed exists between natural or legal persons of the Parties.
- 2. Nothing in paragraph 1 shall be construed to prevent a Party from establishing or maintaining a state monopoly.
- 3. This Article is without prejudice to the rights and obligations set out under Chapter Nine (Government Procurement).

#### ARTICLE 11.6

##### **Cooperation**

- 1. The Parties recognise the importance of cooperation and co-ordination between their respective competition authorities to further enhance effective competition law enforcement and to fulfil the objectives of this Agreement through the promotion of competition and the curtailment of anti-competitive business conduct or anti-competitive transactions.
- 2. The Parties shall cooperate in relation to their respective enforcement policies and in the enforcement of their respective competition laws, including through enforcement cooperation, notification, consultation and exchange of non-confidential information.

<sup>3</sup> **Discriminatory measure** means a measure which does not comply with national treatment, as set out in the relevant provisions of this Agreement, including the terms and conditions set out in the relevant Annexes thereto.

## ARTICLE 11.7

### **Consultation**

1. A Party shall, on request of the other Party, enter into consultations regarding representations made by the other Party, to foster mutual understanding or to address specific matters that arise under this Section. In its request, the other Party shall indicate, if relevant, how the matter affects trade between the Parties.
2. The Parties shall promptly discuss, at the request of a Party, any questions arising from the interpretation or application of this Section.
3. To facilitate discussion of the matter that is the subject of the consultations, each Party shall endeavour to provide relevant non-confidential information to the other Party.

## ARTICLE 11.8

### **Dispute Settlement**

Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) for any matter arising under this Section.

## SECTION B

### **SUBSIDIES**

## ARTICLE 11.9

### **Principles**

The Parties agree to use their best endeavours to remedy or remove through the application of their competition laws or otherwise, distortions of competition caused by subsidies in so far as they affect international trade, and to prevent the occurrence of such situations.

## ARTICLE 11.10

### **Definitions of a Subsidy and Specificity**

1. A **subsidy** is a measure which fulfils the conditions set out in Article 1.1 of the SCM Agreement.
2. A subsidy is specific if it falls within the meaning of Article 2 of the SCM

Agreement. A subsidy shall be subject to this Section only if it is specific within the meaning of Article 2 of the SCM Agreement.

#### ARTICLE 11.11

##### **Prohibited Subsidies<sup>4,5</sup>**

The following subsidies shall be deemed to be specific under the conditions of Article 2 of the SCM Agreement and shall be prohibited for the purposes of this Agreement in so far as they adversely affect international trade of the Parties<sup>6</sup>:

- (a) subsidies granted under any legal arrangement whereby a government or any public body is responsible for covering debts or liabilities of certain enterprises within the meaning of Article 2.1 of the SCM Agreement without any limitation, in law or in fact, as to the amount of those debts and liabilities or the duration of such responsibility; and
- (b) subsidies (such as loans and guarantees, cash grants, capital injections, provision of assets below market prices or tax exemptions) to insolvent or ailing enterprises, without a credible restructuring plan based on realistic assumptions with a view to ensuring the return of the insolvent or ailing enterprise within a reasonable period of time to long-term viability and without the enterprise significantly contributing itself to the costs of restructuring. This does not prevent the Parties from providing subsidies by way of temporary liquidity support in the form of loan guarantees or loans limited to the amount needed to merely keep an ailing enterprise in business for the time necessary to work out a restructuring or liquidation plan.

This subparagraph does not apply to subsidies granted as compensation for carrying out public service obligations and to the coal industry.

#### ARTICLE 11.12

##### **Transparency**

1. Each Party shall ensure transparency in the area of subsidies. To this end, each Party shall report annually to the other Party on the total amount, types and the sectoral distribution of subsidies which are specific and may affect international trade. Reporting should contain information concerning the objective, form, the amount or budget and where possible the recipient of the subsidy granted by a government or any

<sup>4</sup> The Parties hereby agree that this Article applies to subsidies received only after the date when this Agreement enters into force.

<sup>5</sup> For the purposes of this Agreement, subsidies for small and medium-sized enterprises granted in accordance with objective criteria or conditions as provided for in Article 2.1 (b) and footnote 2 attached thereto of the SCM Agreement shall not be subject to this Article.

<sup>6</sup> International trade of the Parties comprises both domestic and exports markets.

public body.

2. Such report is deemed to have been provided if it is sent to the other Party, or if the relevant information is made available on a publicly accessible Internet website, by 31 December of the subsequent calendar year.

3. Upon request by a Party, the other Party shall provide further information on any subsidy schemes and particular individual cases of subsidy which is specific. The Parties shall exchange this information, taking into account the limitations imposed by the requirements of professional and business secrecy.

#### ARTICLE 11.13

##### **Relation with the WTO Agreement**

The provisions in this Section are without prejudice to the rights of a Party in accordance with the relevant provisions of the WTO Agreement to apply trade remedies or to take dispute settlement or other appropriate action against a subsidy granted by the other Party.

#### ARTICLE 11.14

##### **Monitoring and Review**

The Parties shall keep under constant review the matters to which reference is made in this Section. Each Party may refer such matters to the Trade Committee. The Parties agree to review progress in implementing this Section every two years after the entry into force of this Agreement, unless both Parties agree otherwise.

#### ARTICLE 11.15

##### **Scope**

1. The provisions of Articles 11.9 through 11.14 shall apply to subsidies for goods with the exception of fisheries subsidies, subsidies related to products covered by Annex 1 of the Agreement on Agriculture and other subsidies covered by the Agreement on Agriculture.

2. The Parties shall use their best endeavors to develop rules applicable to subsidies to services, taking into account developments at the multilateral level, and to exchange information upon the request of either Party. The Parties agree to hold the first exchange of views on subsidies to services within three years after the entry into force of this Agreement.

## CHAPTER TWELVE

### TRANSPARENCY

#### ARTICLE 12.1

##### **Definitions**

For the purposes of this Chapter:

**measure of general application** means any general or abstract act, procedure, interpretation or other requirement, including non-binding measures. It does not include a ruling that applies to a particular person; and

**interested person** means any natural or legal person that may be subject to any rights or obligations under measures of general application, within the meaning of Article 12.2.

#### ARTICLE 12.2

##### **Objective and Scope**

Recognising the impact which their respective regulatory environment may have on trade between them, the Parties shall pursue an efficient and predictable regulatory environment for economic operators, especially small ones doing business in their territories. The Parties, reaffirming their respective commitments under the WTO Agreement, hereby lay down clarifications and improved arrangements for transparency, consultation and better administration of measures of general application, in so far as these may have an impact on any matter covered by this Agreement.

#### ARTICLE 12.3

##### **Publication**

1. Each Party shall ensure that measures of general application that may have an impact on any matter covered by this Agreement:

- (a) are readily available to interested persons, in a non-discriminatory manner, via an officially designated medium, and where feasible and possible, electronic means, in such a manner as to enable interested persons and the other Party to become acquainted with them;
- (b) provide an explanation of the objective of, and rationale for, such measures; and

- (c) allow for sufficient time between publication and entry into force of such measures, taking due account of the requirements of legal certainty, legitimate expectations and proportionality.
2. Each Party shall:
- (a) endeavour to publish in advance any measure of general application that it proposes to adopt or to amend, including an explanation of the objective of, and rationale for the proposal;
  - (b) provide reasonable opportunities for interested persons to comment on such proposed measure, allowing, in particular, for sufficient time for such opportunities; and
  - (c) endeavour to take into account the comments received from interested persons with respect to such proposed measure.

#### ARTICLE 12.4

#### **Enquiries and Contact Points**

1. Each Party shall establish or maintain appropriate mechanisms for responding to enquiries from any interested person regarding any measures of general application which may have an impact on matters covered by this Agreement which are proposed or in force, and how they would be applied. Enquiries may be addressed through enquiry or contact points established under this Agreement or any other mechanism as appropriate.
2. The Parties recognise that such response provided for in paragraph 1 may not be definitive or legally binding but for information purposes only, unless otherwise provided for in their laws and regulations.
3. Upon request of a Party, the other Party shall promptly provide information and respond to questions pertaining to any actual or proposed measure of general application that the requesting Party considers might affect the operation of this Agreement, regardless of whether the requesting Party has been previously notified of that measure.
4. Each Party shall endeavour to identify or create enquiry or contact points for interested persons of the other Party with the task of seeking to effectively resolve problems for them that may arise from the application of measures of general application. Such processes should be easily accessible, time-bound, result-oriented and transparent. They shall be without prejudice to any appeal or review procedures which the Parties establish or maintain. They shall also be without prejudice to the Parties' rights and obligations under Chapter Fourteen (Dispute Settlement) and Annex 14-A (Mediation Mechanism for Non-Tariff Measures).

## ARTICLE 12.5

### **Administrative Proceedings**

With a view to administering in a consistent, impartial and reasonable manner all measures of general application which may have an impact on matters covered by this Agreement, each Party in applying such measures to particular persons, goods or services of the other Party in specific cases, shall:

- (a) endeavour to provide interested persons of the other Party, who are directly affected by a proceeding, with reasonable notice, in accordance with its procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;
- (b) afford such interested persons a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, in so far as time, the nature of the proceeding and the public interest permit; and
- (c) ensure that its procedures are based on, and in accordance with its law.

## ARTICLE 12.6

### **Review and Appeal**

1. Each Party shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purposes of the prompt review and, where warranted, correction of administrative action relating to matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

- (a) a reasonable opportunity to support or defend their respective positions; and
- (b) a decision based on the evidence and submissions of record or, where required by its law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided for in its law, that such decision shall be implemented by, and shall govern the practice of, the office or authority with respect to the administrative action at issue.



## ARTICLE 12.7

### **Regulatory Quality and Performance and Good Administrative Behaviour**

1. The Parties agree to cooperate in promoting regulatory quality and performance, including through exchange of information and best practices on their respective regulatory reform processes and regulatory impact assessments.
2. The Parties subscribe to the principles of good administrative behaviour, and agree to cooperate in promoting it, including through exchange of information and best practices.

## ARTICLE 12.8

### **Non-Discrimination**

Each Party shall apply to interested persons of the other Party transparency standards no less favourable than those accorded to its own interested persons, to the interested persons of any third country, or to any third country, whichever are the best.

## CHAPTER THIRTEEN

### TRADE AND SUSTAINABLE DEVELOPMENT

#### ARTICLE 13.1

##### **Context and Objectives**

1. Recalling *Agenda 21 on Environment and Development of 1992*, the *Johannesburg Plan of Implementation on Sustainable Development of 2002* and the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*, the Parties reaffirm their commitments to promoting the development of international trade in such a way as to contribute to the objective of sustainable development and will strive to ensure that this objective is integrated and reflected at every level of their trade relationship.

2. The Parties recognise that economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development. They underline the benefit of cooperation on trade-related social and environmental issues as part of a global approach to trade and sustainable development.

3. The Parties recognise that it is not their intention in this Chapter to harmonise the labour or environment standards of the Parties, but to strengthen their trade relations and cooperation in ways that promote sustainable development in the context of paragraphs 1 and 2.

#### ARTICLE 13.2

##### **Scope**

1. Except as otherwise provided in this Chapter, this Chapter applies to measures adopted or maintained by the Parties affecting trade-related aspects of labour<sup>1</sup> and environmental issues in the context of Articles 13.1.1 and 13.1.2.

2. The Parties stress that environmental and labour standards should not be used for protectionist trade purposes. The Parties note that their comparative advantage should in no way be called into question.

<sup>1</sup> When labour is referred to in this Chapter, it includes the issues relevant to the *Decent Work Agenda* as agreed on in the *International Labour Organization* (hereinafter referred to as the "ILO") and in the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*.

## ARTICLE 13.3

### **Right to Regulate and Levels of Protection**

Recognising the right of each Party to establish its own levels of environmental and labour protection, and to adopt or modify accordingly its relevant laws and policies, each Party shall seek to ensure that those laws and policies provide for and encourage high levels of environmental and labour protection, consistent with the internationally recognised standards or agreements referred to in Articles 13.4 and 13.5, and shall strive to continue to improve those laws and policies.

## ARTICLE 13.4

### **Multilateral Labour Standards and Agreements**

1. The Parties recognise the value of international cooperation and agreements on employment and labour affairs as a response of the international community to economic, employment and social challenges and opportunities resulting from globalisation. They commit to consulting and cooperating as appropriate on trade-related labour and employment issues of mutual interest.

2. The Parties reaffirm the commitment, under the *2006 Ministerial Declaration of the UN Economic and Social Council on Full Employment and Decent Work*, to recognising full and productive employment and decent work for all as a key element of sustainable development for all countries and as a priority objective of international cooperation and to promoting the development of international trade in a way that is conducive to full and productive employment and decent work for all, including men, women and young people.

3. The Parties, in accordance with the obligations deriving from membership of the ILO and the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up*, adopted by the International Labour Conference at its 86th Session in 1998, commit to respecting, promoting and realising, in their laws and practices, the principles concerning the fundamental rights, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

The Parties reaffirm the commitment to effectively implementing the ILO Conventions that Korea and the United Kingdom have ratified respectively. The Parties will make continued and sustained efforts towards ratifying the fundamental ILO Conventions as

well as the other Conventions that are classified as "up-to-date" by the ILO.

#### ARTICLE 13.5

##### **Multilateral Environmental Agreements**

1. The Parties recognise the value of international environmental governance and agreements as a response of the international community to global or regional environmental problems and they commit to consulting and cooperating as appropriate with respect to negotiations on trade-related environmental issues of mutual interest.
2. The Parties reaffirm their commitments to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are party.
3. The Parties reaffirm their commitment to reaching the ultimate objective of the *United Nations Framework Convention on Climate Change and its Kyoto Protocol*.

#### ARTICLE 13.6

##### **Trade Favouring Sustainable Development**

1. The Parties reconfirm that trade should promote sustainable development in all its dimensions. The Parties recognise the beneficial role that core labour standards and decent work can have on economic efficiency, innovation and productivity, and they highlight the value of greater policy coherence between trade policies, on the one hand, and employment and labour policies on the other.
2. The Parties shall strive to facilitate and promote trade and foreign direct investment in environmental goods and services, including environmental technologies, sustainable renewable energy, energy efficient products and services and eco-labelled goods, including through addressing related non-tariff barriers. The Parties shall strive to facilitate and promote trade in goods that contribute to sustainable development, including goods that are the subject of schemes such as fair and ethical trade and those involving corporate social responsibility and accountability.

#### ARTICLE 13.7

##### **Upholding Levels of Protection in the Application and Enforcement of Laws, Regulations or Standards**

1. A Party shall not fail to effectively enforce its environmental and labour laws, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties.

2. A Party shall not weaken or reduce the environmental or labour protections afforded in its laws to encourage trade or investment, by waiving or otherwise derogating from, or offering to waive or otherwise derogate from, its laws, regulations or standards, in a manner affecting trade or investment between the Parties.

#### ARTICLE 13.8

##### **Scientific Information**

The Parties recognise the importance, when preparing and implementing measures aimed at protecting the environment and social conditions that affect trade between the Parties, of taking account of scientific and technical information, and relevant international standards, guidelines or recommendations.

#### ARTICLE 13.9

##### **Transparency**

The Parties, in accordance with their respective domestic laws, agree to develop, introduce and implement any measures aimed at protecting the environment and labour conditions that affect trade between the Parties in a transparent manner, with due notice and public consultation, and with appropriate and timely communication to and consultation of non-state actors including the private sector.

#### ARTICLE 13.10

##### **Review of Sustainability Impacts**

The Parties commit to reviewing, monitoring and assessing the impact of the implementation of this Agreement on sustainable development, including the promotion of decent work, through their respective participative processes and institutions, as well as those set up under this Agreement, for instance through trade-related sustainability impact assessments.

#### ARTICLE 13.11

##### **Cooperation**

Recognising the importance of cooperating on trade-related aspects of social and environmental policies in order to achieve the objectives of this Agreement, the Parties commit to initiating cooperative activities as set out in Annex 13.

## ARTICLE 13.12

### **Institutional Mechanism**

1. Each Party shall designate an office within its administration which shall serve as a contact point with the other Party for the purpose of implementing this Chapter.
2. The Committee on Trade and Sustainable Development established pursuant to Article 15.2.1 (Specialised Committees) shall comprise senior officials from within the administrations of the Parties.
3. The Committee shall meet within the first year of the entry into force of this Agreement, and thereafter as necessary, to oversee the implementation of this Chapter, including cooperative activities undertaken under Annex 13.
4. Each Party shall establish a Domestic Advisory Group(s) on sustainable development (environment and labour) with the task of advising on the implementation of this Chapter.
5. The Domestic Advisory Group(s) comprise(s) independent representative organisations of civil society in a balanced representation of environment, labour and business organisations as well as other relevant stakeholders.

## ARTICLE 13.13

### **Civil Society Dialogue Mechanism**

1. Members of Domestic Advisory Group(s) of each Party will meet at a Civil Society Forum in order to conduct a dialogue encompassing sustainable development aspects of trade relations between the Parties. The Civil Society Forum will meet once a year unless otherwise agreed by the Parties. The Parties shall agree by decision of the Committee on Trade and Sustainable Development on the operation of the Civil Society Forum no later than one year after the entry into force of this Agreement.
2. The Domestic Advisory Group(s) will select the representatives from its members in a balanced representation of relevant stakeholders as set out in Article 13.12.5.
3. The Parties can present an update on the implementation of this Chapter to the Civil Society Forum. The views, opinions or findings of the Civil Society Forum can be submitted to the Parties directly or through the Domestic Advisory Group(s).

## ARTICLE 13.14

### **Government Consultations**

1. A Party may request consultations with the other Party regarding any matter of mutual interest arising under this Chapter, including the communications of the Domestic Advisory Group(s) referred to in Article 13.12, by delivering a written request to the contact point of the other Party. Consultations shall commence promptly after a Party delivers a request for consultations.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter. The Parties shall ensure that the resolution reflects the activities of the ILO or relevant multilateral environmental organisations or bodies so as to promote greater cooperation and coherence between the work of the Parties and these organisations. Where relevant, subject to the agreement of the Parties, they can seek advice of these organisations or bodies.
3. If a Party considers that the matter needs further discussion, that Party may request that the Committee on Trade and Sustainable Development be convened to consider the matter by delivering a written request to the contact point of the other Party. The Committee shall convene promptly and endeavour to agree on a resolution of the matter. The resolution of the Committee shall be made public unless the Committee otherwise decides.
4. The Committee may seek the advice of either or both Domestic Advisory Group(s) and each Party may seek the advice of its own Domestic Advisory Group(s). A Domestic Advisory Group of a Party may also submit communications on its own initiative to that Party or to the Committee.

## ARTICLE 13.15

### **Panel of Experts**

1. Unless the Parties otherwise agree, a Party may, 90 days after the delivery of a request for consultations under Article 13.14.1, request that a Panel of Experts be convened to examine the matter that has not been satisfactorily addressed through government consultations. The Parties can make submissions to the Panel of Experts. The Panel of Experts should seek information and advice from either Party, the Domestic Advisory Group(s) or international organisations as set out in Article 13.14, as it deems appropriate. The Panel of Experts shall be convened within two months of a Party's request.
2. The Panel of Experts that is selected in accordance with the procedures set out in paragraph 3, shall provide its expertise in implementing this Chapter. Unless the Parties otherwise agree, the Panel of Experts shall, within 90 days of the last expert being selected, present to the Parties a report. The Parties shall make their best efforts to accommodate advice or recommendations of the Panel of Experts on the

implementation of this Chapter. The implementation of the recommendations of the Panel of Experts shall be monitored by the Committee on Trade and Sustainable Development. The report of the Panel of Experts shall be made available to the Domestic Advisory Group(s) of the Parties. As regards confidential information, the principles in Annex 14-B (Rules of Procedure for Arbitration) apply.

3. Upon the entry into force of this Agreement, the Parties shall agree on a list of at least 15 persons with expertise on the issues covered by this Chapter, of whom at least five shall be non-nationals of either Party who will serve as chair of the Panel of Experts. The experts shall be independent of, and not be affiliated with or take instructions from, either Party or organisations represented in the Domestic Advisory Group(s). Each Party shall select one expert from the list of experts within 30 days of the receipt of the request for the establishment of a Panel of Experts. If a Party fails to select its expert within such period, the other Party shall select from the list of experts a national of the Party that has failed to select an expert. The two selected experts shall decide on the chair who shall not be a national of either Party.

#### ARTICLE 13.16

#### **Dispute Settlement**

For any matter arising under this Chapter, the Parties shall only have recourse to the procedures provided for in Articles 13.14 and 13.15.



## ANNEX 13

### COOPERATION ON TRADE AND SUSTAINABLE DEVELOPMENT

1. In order to promote the achievement of the objectives of Chapter Thirteen and to assist in the fulfilment of their obligations pursuant to it, the Parties have established the following indicative list of areas of cooperation:

- (a) exchange of views on the positive and negative impacts of this Agreement on sustainable development and ways to enhance, prevent or mitigate them, taking into account sustainability impact assessments carried out by the Parties;
- (b) cooperation in international fora responsible for social or environmental aspects of trade and sustainable development, including in particular the WTO, the ILO, the United Nations Environment Programme and multilateral environmental agreements;
- (c) cooperation with a view to promoting the ratification of fundamental and other ILO Conventions and multilateral environmental agreements with an impact on trade;
- (d) exchange of information and cooperation on corporate social responsibility and accountability, including on the effective implementation and follow up of internationally agreed guidelines, fair and ethical trade, private and public certification and labelling schemes including eco-labelling and green public procurement;
- (e) exchange of views on the trade impact of environmental regulations, norms and standards;
- (f) cooperation on trade-related aspects of the current and future international climate change regime, including issues relating to global carbon markets, ways to address adverse effects of trade on climate, as well as means to promote low carbon technologies and energy efficiency;
- (g) cooperation on trade-related aspects of biodiversity including in relation to biofuels;
- (h) cooperation on trade-related measures to promote sustainable fishing practices;
- (i) cooperation on trade-related measures to tackle the deforestation including by addressing problems regarding illegal logging;
- (j) cooperation on trade-related aspects of multilateral environmental agreements, including customs cooperation;

- (k) cooperation on trade-related aspects of the ILO Decent Work Agenda, including on the interlinkages between trade and full and productive employment, labour market adjustment, core labour standards, labour statistics, human resources development and life long learning, social protection and social inclusion, social dialogue and gender equality;
- (l) exchange of views on the relationship between multilateral environmental agreements and international trade rules; or
- (m) other forms of environmental cooperation as the Parties may deem appropriate.

2. The Parties agree that it would be desirable if cooperative activities developed by them could have as broad an application and benefit as possible.

## CHAPTER FOURTEEN

### **DISPUTE SETTLEMENT**

#### SECTION A

### **OBJECTIVE AND SCOPE**

#### ARTICLE 14.1

##### **Objective**

The objective of this Chapter is to avoid and settle any dispute between the Parties concerning the good faith application of this Agreement and to arrive at, where possible, a mutually agreed solution.

#### ARTICLE 14.2

##### **Scope**

This Chapter applies to any dispute concerning the interpretation and application of the provisions of this Agreement unless otherwise provided<sup>1</sup>.

#### SECTION B

### **CONSULTATIONS**

#### ARTICLE 14.3

##### **Consultations**

1. The Parties shall endeavour to resolve any dispute regarding the interpretation and application of the provisions referred to in Article 14.2 by entering into consultations in good faith with the aim of reaching a mutually agreed solution.
2. A Party shall seek consultations by means of a written request to the other Party identifying any measure at issue and the provisions of the Agreement that it considers applicable. A copy of the request for consultations shall be delivered to the Trade Committee.

<sup>1</sup> For disputes relating to the Protocol on Cultural Cooperation all references in this Chapter to the Trade Committee shall be understood as referring to the Committee on Cultural Cooperation.

3. Consultations shall be held within 30 days of the date of the submission of the request and take place, unless the Parties agree otherwise, in the territory of the Party complained against. The consultations shall be deemed concluded within 30 days of the date of the submission of the request, unless the Parties agree to continue consultations. All information disclosed during the consultations shall remain confidential.

4. Consultations on matters of urgency, including those regarding perishable or seasonal goods<sup>2</sup> shall be held within 15 days of the date of the submission of the request, and shall be deemed concluded within 15 days of the date of the submission of the request.

5. If consultations are not held within the time frames laid down in paragraph 3 or 4 respectively, or if consultations have been concluded and no mutually agreed solution has been reached, the complaining Party may request the establishment of an arbitration panel in accordance with Article 14.4.

## SECTION C

### **DISPUTE SETTLEMENT PROCEDURES**

#### SUB-SECTION A

#### **ARBITRATION PROCEDURE**

#### ARTICLE 14.4

#### **Initiation of the Arbitration Procedure**

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 14.3, the complaining Party may request the establishment of an arbitration panel.

2. The request for the establishment of an arbitration panel shall be made in writing to the Party complained against and the Trade Committee. The complaining Party shall identify in its request the specific measure at issue, and it shall explain how such measure constitutes a breach of the provisions referred to in Article 14.2.

<sup>2</sup> Seasonal goods are goods whose imports, over a representative period, are not spread over the whole year but concentrated on specific times of the year as a result of seasonal factors.

## ARTICLE 14.5

### **Establishment of the Arbitration Panel**

1. An arbitration panel shall be composed of three arbitrators.
2. Within 10 days of the date of the submission of the request for the establishment of an arbitration panel to the Trade Committee, the Parties shall consult in order to reach an agreement on the composition of the arbitration panel.
3. In the event that the Parties are unable to agree on the composition of the arbitration panel within the time frame laid down in paragraph 2, either Party may request the chair of the Trade Committee, or the chair's delegate, to select all three members by lot from the list established under Article 14.18, one among the individuals proposed by the complaining Party, one among the individuals proposed by the Party complained against and one among the individuals selected by the Parties to act as chairperson. Where the Parties agree on one or more of the members of the arbitration panel, any remaining members shall be selected by the same procedure.
4. The date of establishment of the arbitration panel shall be the date on which the three arbitrators are selected.

## ARTICLE 14.6

### **Interim Panel Report**

1. The arbitration panel shall issue to the Parties an interim report setting out the findings of facts, the applicability of the relevant provisions and the basic rationale behind any findings and recommendations that it makes, within 90 days of the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel must notify the Parties and the Trade Committee in writing, stating the reasons for the delay and the date on which the panel plans to issue its interim report. Under no circumstances should the interim report be issued later than 120 days after the date of the establishment of the arbitration panel.
2. Any Party may submit a written request for the arbitration panel to review precise aspects of the interim report within 14 days of its issuance.
3. In cases of urgency, including those involving perishable or seasonal goods, the arbitration panel shall make every effort to issue its interim report and any Party may submit a written request for the arbitration panel to review precise aspects of the interim report, within half of the respective time frames under paragraphs 1 and 2.
4. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its report and make any further examination it considers appropriate. The final arbitration panel ruling shall include a discussion of the arguments made at the interim review stage.

## ARTICLE 14.7

### **Arbitration Panel Ruling**

1. The arbitration panel shall issue its ruling to the Parties and to the Trade Committee within 120 days of the date of the establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel must notify the Parties and the Trade Committee in writing, stating the reasons for the delay and the date on which the panel plans to issue its ruling. Under no circumstances should the ruling be issued later than 150 days after the date of the establishment of the arbitration panel.

2. In cases of urgency, including those involving perishable or seasonal goods, the arbitration panel shall make every effort to issue its ruling within 60 days of the date of its establishment. Under no circumstances should it take longer than 75 days after its establishment. The arbitration panel may give a preliminary ruling within 10 days of its establishment on whether it deems the case to be urgent.

## SUB-SECTION B

### **COMPLIANCE**

## ARTICLE 14.8

### **Compliance with the Arbitration Panel Ruling**

Each Party shall take any measure necessary to comply in good faith with the arbitration panel ruling, and the Parties will endeavour to agree on the period of time to comply with the ruling.

## ARTICLE 14.9

### **The Reasonable Period of Time for Compliance**

1. No later than 30 days after the issuance of the arbitration panel ruling to the Parties, the Party complained against shall notify the complaining Party and the Trade Committee of the time it will require for compliance.

2. If there is disagreement between the Parties on the reasonable period of time to comply with the arbitration panel ruling, the complaining Party shall, within 20 days of the notification made under paragraph 1 by the Party complained against, request in writing the original arbitration panel to determine the length of the reasonable period of time. Such request shall be notified to the other Party and to the Trade Committee. The arbitration panel shall issue its ruling to the Parties and to the Trade Committee within 20 days of the date of the submission of the request.

3. In the event that any member of the original arbitration panel is no longer available, the procedures set out in Article 14.5 shall apply. The time limit for issuing the ruling shall be 35 days from the date of the submission of the request referred to in paragraph 2.

4. The Party complained against will inform the complaining Party in writing of its progress to comply with the arbitration panel ruling at least one month before the expiry of the reasonable period of time.

5. The reasonable period of time may be extended by mutual agreement of the Parties.

#### ARTICLE 14.10

##### **Review of any Measure Taken to Comply with the Arbitration Panel Ruling**

1. The Party complained against shall notify the complaining Party and the Trade Committee before the end of the reasonable period of time of any measure that it has taken to comply with the arbitration panel ruling.

2. Where there is disagreement between the Parties as to the existence of a measure or consistency with the provisions referred to in Article 14.2 of any measure notified under paragraph 1, the complaining Party may request in writing the original arbitration panel to rule on the matter. Such request shall identify the specific measure at issue and it shall explain how such measure is incompatible with the provisions referred to in Article 14.2. The arbitration panel shall issue its ruling within 45 days of the date of the submission of the request.

3. In the event that any member of the original arbitration panel is no longer available, the procedures set out in Article 14.5 shall apply. The time limit for issuing the ruling shall be 60 days from the date of the submission of the request referred to in paragraph 2.

#### ARTICLE 14.11

##### **Temporary Remedies in case of Non-Compliance**

1. If the Party complained against fails to notify any measure taken to comply with the arbitration panel ruling before the expiry of the reasonable period of time, or if the arbitration panel rules that no measure taken to comply exists or that the measure notified under Article 14.10.1 is inconsistent with that Party's obligations under the provisions referred to in Article 14.2, the Party complained against shall, if so requested by the complaining Party, present an offer for temporary compensation.

2. If no agreement on compensation is reached within 30 days of the end of the

reasonable period of time or of the issuance of the arbitration panel ruling under Article 14.10 that no measure taken to comply exists or the measure notified under Article 14.10.1 is inconsistent with the provisions referred to in Article 14.2, the complaining Party shall be entitled, upon notification to the Party complained against and to the Trade Committee, to suspend obligations arising from any provision referred to in Article 14.2 at a level equivalent to the nullification or impairment caused by the violation. The notification shall specify the level of obligations that the complaining Party intends to suspend. The complaining Party may implement the suspension 10 days after the date of the notification, unless the Party complained against has requested arbitration under paragraph 4.

3. In suspending obligations, the complaining Party may choose to increase its tariff rates to the level applied to other WTO Members on a volume of trade to be determined in such a way that the volume of trade multiplied by the increase of the tariff rates equals the value of the nullification or impairment caused by the violation.

4. If the Party complained against considers that the level of suspension is not equivalent to the nullification or impairment caused by the violation, it may request in writing the original arbitration panel to rule on the matter. Such request shall be notified to the complaining Party and to the Trade Committee before the expiry of the 10 day period referred to in paragraph 2. The original arbitration panel shall issue its ruling on the level of the suspension of obligations to the Parties and to the Trade Committee within 30 days of the date of the submission of the request. Obligations shall not be suspended until the original arbitration panel has issued its ruling, and any suspension shall be consistent with the arbitration panel ruling.

5. In the event that any member of the original arbitration panel is no longer available, the procedures laid down in Article 14.5 shall apply. The period for issuing the ruling shall be 45 days from the date of the submission of the request referred to in paragraph 4.

6. The suspension of obligations shall be temporary and apply only until any measure found to be inconsistent with the provisions referred to in Article 14.2 has been withdrawn or amended so as to bring it into conformity with those provisions, as established under Article 14.12, or until the Parties have agreed to settle the dispute.

#### ARTICLE 14.12

##### **Review of any Measure Taken to Comply after the Suspension of Obligations**

1. The Party complained against shall notify the complaining Party and the Trade Committee of any measure it has taken to comply with the ruling of the arbitration panel and of its request for the termination of the suspension of obligations applied by the complaining Party.

2. If the Parties do not reach an agreement on the compatibility of the notified measure with the provisions referred to in Article 14.2 within 30 days of the date of the



notification, the complaining Party shall request in writing the original arbitration panel to rule on the matter. Such request shall be notified to the Party complained against and to the Trade Committee. The arbitration panel ruling shall be issued to the Parties and to the Trade Committee within 45 days of the date of the submission of the request. If the arbitration panel rules that any measure taken to comply is in conformity with the provisions referred to in Article 14.2, the suspension of obligations shall be terminated.

3. In the event that any member of the original arbitration panel is no longer available, the procedures laid down in Article 14.5 shall apply. The period for issuing the ruling shall be 60 days from the date of the submission of the request referred to in paragraph 2.

## SUB-SECTION C

### COMMON PROVISIONS

#### ARTICLE 14.13

##### **Mutually Agreed Solution**

The Parties may reach a mutually agreed solution to a dispute under this Chapter at any time. They shall notify the Trade Committee of any such solution. Upon notification of the mutually agreed solution, the procedure shall be terminated.

#### ARTICLE 14.14

##### **Rules of Procedure**

1. Dispute settlement procedures under this Chapter shall be governed by Annex 14-B.
2. Any hearing of the arbitration panel shall be open to the public in accordance with Annex 14-B.

#### ARTICLE 14.15

##### **Information and Technical Advice**

At the request of a Party, or upon its own initiative, the arbitration panel may obtain information from any source, including the Parties involved in the dispute, as it deems appropriate for the arbitration panel proceeding. The arbitration panel also has the right to seek the relevant opinion of experts as it deems appropriate. Any information obtained in this manner must be disclosed to both Parties which may submit comments. Interested natural or legal persons of the Parties are authorised to submit *amicus curiae*

briefs to the arbitration panel in accordance with Annex 14-B.

#### ARTICLE 14.16

##### **Rules of Interpretation**

Any arbitration panel shall interpret the provisions referred to in Article 14.2 in accordance with customary rules of interpretation of public international law, including those codified in the *Vienna Convention on the Law of Treaties*. Where an obligation under this Agreement is identical to an obligation under the WTO Agreement, the arbitration panel shall adopt an interpretation which is consistent with any relevant interpretation established in rulings of the WTO Dispute Settlement Body (hereinafter referred to as the "DSB"). The rulings of the arbitration panel cannot add to or diminish the rights and obligations provided for in the provisions referred to in Article 14.2.

#### ARTICLE 14.17

##### **Arbitration Panel Decisions and Rulings**

1. The arbitration panel shall make every effort to take any decision by consensus. Where, nevertheless, a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote. In no case shall dissenting opinions of arbitrators be published.
2. Any ruling of the arbitration panel shall be binding on the Parties and shall not create any rights or obligations for natural or legal persons. The ruling shall set out the findings of fact, the applicability of the relevant provisions of this Agreement and the basic rationale behind any findings and conclusions that it makes. The Trade Committee shall make the arbitration panel rulings publicly available in its entirety unless it decides not to do so.

#### SECTION D

##### **GENERAL PROVISIONS**

#### ARTICLE 14.18

##### **List of Arbitrators**

1. The Trade Committee shall, no later than six months after the entry into force of this Agreement, establish a list of 15 individuals who are willing and able to serve as arbitrators. Each Party shall propose five individuals to serve as arbitrators. The Parties shall also select five individuals who are not nationals of either Party and shall act as chairperson to the arbitration panel. The Trade Committee will ensure that the

list is always maintained at this level.

2. Arbitrators shall have specialised knowledge or experience of law and international trade. They shall be independent, serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the dispute, or be affiliated with the government of any Party, and shall comply with Annex 14-C.

#### ARTICLE 14.19

##### **Relation with WTO Obligations**

1. Recourse to the dispute settlement provisions of this Chapter shall be without prejudice to any action in the WTO framework, including dispute settlement action.

2. However, where a Party has, with regard to a particular measure, initiated a dispute settlement proceeding, either under this Chapter or under the WTO Agreement, it may not institute a dispute settlement proceeding regarding the same measure in the other forum until the first proceeding has been concluded. In addition, a Party shall not seek redress of an obligation which is identical under this Agreement and under the WTO Agreement in the two forums. In such case, once a dispute settlement proceeding has been initiated, the Party shall not bring a claim seeking redress of the identical obligation under the other Agreement to the other forum, unless the forum selected fails for procedural or jurisdictional reasons to make findings on the claim seeking redress of that obligation.

3. For the purposes of paragraph 2:

- (a) dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* contained in Annex 2 of the WTO Agreement (hereinafter referred to as the "DSU") and are deemed to be concluded when the DSB adopts the Panel's report, and the Appellate Body's report as the case may be, under Articles 16 and 17.14 of the DSU; and
- (b) dispute settlement proceedings under this Chapter are deemed to be initiated by a Party's request for the establishment of an arbitration panel under Article 14.4.1 and are deemed to be concluded when the arbitration panel issues its ruling to the Parties and to the Trade Committee under Article 14.7.

4. Nothing in this Agreement shall preclude a Party from implementing the suspension of obligations authorised by the DSB. The WTO Agreement shall not be invoked to preclude a Party from suspending obligations under this Chapter.

ARTICLE 14.20

**Time Limits**

1. All time limits laid down in this Chapter, including the limits for the arbitration panels to issue their rulings, shall be counted in calendar days, the first day being the day following the act or fact to which they refer.
2. Any time limit referred to in this Chapter may be extended by mutual agreement of the Parties.

## ANNEX 14-A

### MEDIATION MECHANISM FOR NON-TARIFF MEASURES

#### ARTICLE 1

##### **Objective**

The objective of this Annex is to facilitate the finding of a mutually agreed solution to non-tariff measures adversely affecting trade between the Parties through a comprehensive and expeditious procedure with the assistance of a mediator.

#### ARTICLE 2

##### **Scope**

The mediation mechanism shall apply to any measure, other than customs duties, which a Party believes adversely affects trade between the Parties and which is related to any matter falling under market access in goods<sup>1</sup> including under Chapter Two (National Treatment and Market Access for Goods) and the Annexes pertaining thereto.

#### SECTION A

### PROCEDURE UNDER THE MEDIATION MECHANISM

#### ARTICLE 3

##### **Initiation of the Mediation Procedure**

1. A Party may request, at any time, that the other Party enter into a mediation procedure. Such request shall be addressed to the other Party in writing. The request shall be sufficiently detailed to present clearly the concerns of the requesting Party and shall:

- (a) identify the specific measure at issue;

<sup>1</sup> For the purposes of this Annex, market access in goods covers non-agricultural market access (NAMA) and its related trade rules including trade remedies, technical barriers to trade, sanitary and phytosanitary measures, trade facilitation, rules of origin, safeguards and the Sectoral Annexes to Chapter Two (National Treatment and Market Access for Goods). It excludes trade in agricultural products, services and establishment, cultural cooperation, government procurement, competition, intellectual property rights, payments and capital movements and trade and sustainable development.