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Treaty Series No. 32 (2025)

Free Trade Agreement

between the United Kingdom of Great Britain and Northern Ireland and the Republic
of Korea (with Exchange of Notes)

London, 22 August 2019

(Consolidated version)

[The Agreement entered into force 31 December 2020]

*Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
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TARIFF SCHEDULE OF KOREA

GENERAL NOTES

1. Relation to the Harmonized Tariff Schedule of Korea (HSK). The provisions of this Schedule are generally expressed in terms of the HSK, and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes and Chapter Notes of the HSK. To the extent that provisions of this Schedule are identical to the corresponding provisions of the HSK, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the HSK.
2. Base Rates of Customs Duty. The base rates of customs duty set out in this Schedule reflect the Korean Customs Duty Most-Favoured-Nation rates of duty in effect on 6 May 2007.

TARIFF SCHEDULE OF THE UNITED KINGDOM

GENERAL NOTES

1. Relation to the Combined Nomenclature (CN) of the European Union. The provisions of this Schedule are generally expressed in terms of the CN, and the interpretation of the provisions of this Schedule, including the product coverage of subheadings of this Schedule, shall be governed by the General Notes, Section Notes, and Chapter Notes of the CN. To the extent that provisions of this Schedule are identical to the corresponding provisions of the CN, the provisions of this Schedule shall have the same meaning as the corresponding provisions of the CN.
2. Base Rates of Customs Duty. The base rates of customs duty set forth in this Schedule reflect the European Community's Common Customs Tariff rates of duty in effect on 6 May 2007.

Appendix 2-A-1

KOREA

1. This Appendix applies to TRQs provided for in this Agreement and sets out modifications to HSK which reflect the TRQs that Korea shall apply to certain originating goods under this Agreement. In particular, originating goods of the United Kingdom included under this Appendix shall be subject to the rates of duty set out in this Appendix in lieu of the rates of duty specified in Chapters 1 through 97 of the HSK. Notwithstanding any other provision of the HSK, originating goods of the United Kingdom in the quantities described in this Appendix shall be imported into the territory of Korea as provided for in this Appendix. Furthermore, any quantity of originating goods imported from the United Kingdom under a TRQ provided for in this Appendix shall not be counted toward the in-quota amount of any TRQs provided for such goods elsewhere in the HSK.

2. Notwithstanding Article 2.7.7 and paragraphs 5 and 6 of this Appendix, if this Agreement enters into force after 1 July and before 30 June of the next calendar year, the TRQ quantities which shall be applicable for the remainder of that year shall be reduced pro rata to the remaining number of days of that year. Notwithstanding Article 2.7.7 and paragraphs 5 and 6 of this Appendix, if this Agreement enters into force after 1 July and before 30 June of the next calendar year, licences relating to that year shall be administered starting on the first business day after the date of entry into force of this Agreement.

Licensing System for TRQs Provided for in this Agreement

3. Korea may use a licensing system to administer and implement the TRQs provided for in paragraphs 5 and 6, provided that the conditions set forth in subparagraph (a) are met. The Parties shall agree in the Committee on Trade in Goods on the policies and procedures for the licensing system, including eligibility to receive TRQ quantities, and any changes or amendments to them:

- (a)
 - (i) If less than 95 percent of the in-quota quantity of a TRQ is utilised in two of three consecutive years, on the written request of the United Kingdom, the Parties shall consult in the Committee on Trade in Goods regarding the operation of the allocation system with a view to identifying and addressing the causes for the incomplete utilisation of the in-quota quantity. In the consultations, the Parties shall consider prevailing market conditions;
 - (ii) The Parties shall hold consultations within 30 days of the date of the request;
 - (iii) Korea shall implement any decision in the Committee on Trade in Goods that the Parties reach in the consultations on

the means to facilitate full utilisation of the TRQ within 60 days of the decision, or by such other date as the Parties may agree on; and

- (iv) Korea shall permit originating goods of the United Kingdom to enter under the relevant TRQ on a first-come, first-served basis if either of the following occurs:
 - (A) Korea does not implement a decision in accordance with subparagraph (a)(iii); or
 - (B) the consultations referred to under subparagraph (a)(i) do not result in a decision within 90 days of the date of the request for consultations or by such other date as the Parties may agree on.
- (b) On the written request of either Party, the Parties shall consult on any matter related to the application or operation of this paragraph. The consultations shall begin within 15 business days of the date the [other] Party receives the request for consultations, or on such other date as the Parties may agree.

State Trading Enterprises

4. Korea may require an originating good of the United Kingdom to be imported, purchased or distributed in its territory by a state trading enterprise only if, and on such terms and conditions as, the Parties may agree.

Malt and Malting Barley

5. (a) The aggregate quantity of originating goods of the United Kingdom described in subparagraph (c) that shall be permitted to enter free of customs duty in a particular year is specified below:

Year	Quantity (Metric Tons)
9	1,521
10	1,567
11	1,614
12	1,662
13	1,712
14	1,764
15	1,816
16	Unlimited

The Korea Agro-Fisheries and Food Trade Corporation shall administer the licenses for these TRQs starting on the first business day of the first month of each year on a first come, first-served basis, in response to written applications that it receives. Between the first business day and the last day of the first month, if the aggregate TRQ quantity requested by the applicants exceeds the total TRQ quantity for that year, the Corporation shall allocate the TRQ quantities among applicants on a pro rata basis.

If the aggregate TRQ quantity requested during the first month is less than the aggregate TRQ quantity for the year, the Corporation shall continue to allocate the TRQ on a first come, first-served basis through the end of the year. Each license the Corporation issues to an applicant shall be valid for 90 days from the date of issuance, unused licenses shall be surrendered to the Corporation when the 90 day period expires, and the Corporation shall reallocate unused quantities to applicants on a first-come, first-served basis within 45 days of the date the licenses are surrendered.

- (b) Customs duties on goods entered in excess of the quantities listed in subparagraph (a) shall be removed in accordance with staging category "15" as described in paragraph 1(j) of Annex 2-A.
- (c) Subparagraphs (a) and (b) apply to the following HSK provisions: 1003.00.1000 and 1107.10.0000.

Supplementary feeds, animal

6. (a) The aggregate quantity of originating goods of the United Kingdom described in subparagraph (c) that shall be permitted to enter free of customs duty in a particular year is specified below:

Year	Quantity (Metric Tons)
9	609
10	627
11	646
12	665
13	Unlimited

The Korea Feed Ingredients Association and the Korea Feed Milk Replacer Association shall administer these TRQs and allocate the in-quota quantity through licensing systems. These TRQs shall be allocated based on the amount of originating goods described in subparagraph (c) imported by applicants during the 24 month period immediately preceding the year for which the license is issued and the quantity of originating goods requested by applicants for the year.

- (b) Customs duties on goods entered in excess of the quantities listed in subparagraph (a) shall be removed in accordance with staging category "12" as described in paragraph 1(h) of Annex 2-A.
- (c) Subparagraphs (a) and (b) apply to the following HSK provisions: 2309.90.2010, 2309.90.2020, 2309.90.2099 and 2309.90.9000.

Appendix 2-A-2

THE UNITED KINGDOM

1. This Appendix sets out modifications to the entry price scheme that the United Kingdom may apply to certain fruits and vegetables in accordance with the United Kingdom's WTO Schedule XIX. In particular, originating goods of Korea included under this Appendix shall be subject to the entry price scheme set out in this Appendix in lieu of the entry price scheme specified in the United Kingdom's WTO Schedule XIX.

2. For originating goods of Korea to which the United Kingdom may apply its entry price scheme in accordance with the United Kingdom's WTO Schedule XIX, the ad valorem customs duties on such goods shall be removed in accordance with the staging categories as set out in the United Kingdom's Schedule included in Annex 2-A.

3. The specific customs duties provided for in the United Kingdom's WTO Schedule XIX on the goods under paragraph 2 shall not be subject to the elimination of customs duties in accordance with the staging categories as set out in the United Kingdom's Schedule included in Annex 2-A. Instead, the duties shall:

(a) be eliminated entirely as from 1 July 2011 for the following goods:

CN code	Description
07070005	Cucumbers, fresh or chilled
08082050	Fresh pears (excl. perry pears, in bulk, from 1 August to 31 December)
08092005	Fresh sour cherries "Prunus cerasus"
08092095	Fresh cherries (excl. sour cherries "Prunus cerasus")
20096110	Grape juice, incl. grape must, unfermented, Brix value \leq 30 at 20°C, value of $>$ 18 € per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
20096919	Grape juice, incl. grape must, unfermented, Brix value $>$ 67 at 20°C, value of $>$ 22 € per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
20096951	Concentrated grape juice, incl. grape must, unfermented, Brix value $>$ 30 but \leq 67 at 20°C, value of $>$ 18 € per 100 kg, whether or not containing added sugar or other sweetening matter (excl. containing spirit)
20096959	Grape juice, incl. grape must, unfermented, Brix value $>$ 30 but \leq 67 at 20°C, value of $>$ 18 € per 100 kg, whether or not containing added sugar or other sweetening matter (excl. concentrated or containing spirit)
22043092	Grape must, unfermented, concentrated within the meaning of Additional Note 7 to chapter 22, of a density \leq 1,33 g/cm ³

CN code	Description
	at 20°C and of an actual alcoholic strength by volume ≤ 1% vol but > 0,5% vol (excl. grape must whose fermentation has been arrested by the addition of alcohol)
22043094	Grape must, unfermented, non-concentrated, of a density ≤ 1,33 g/cm ³ at 20°C and of an actual alcoholic strength by volume ≤ 1% vol but > 0,5% vol (excl. grape must whose fermentation has been arrested by the addition of alcohol)
22043096	Grape must, unfermented, concentrated within the meaning of Additional Note 7 to chapter 22, of a density > 1,33 g/cm ³ at 20°C and of an actual alcoholic strength by volume ≤ 1% vol but > 0,5% vol (excl. grape must whose fermentation has been arrested by the addition of alcohol)
22043098	Grape must, unfermented, non-concentrated, of a density > 1,33 g/cm ³ at 20°C and of an actual alcoholic strength by volume ≤ 1% vol but > 0,5% vol (excl. grape must whose fermentation has been arrested by the addition of alcohol)

- (b) be eliminated for the following goods in accordance with the following schedule:

CN code	Description	Elimination on
07099070	Fresh or chilled courgettes	the first day of year 5
07099080	Fresh or chilled globe artichokes	the first day of year 10
08052010	Fresh or dried clementines	the first day of year 15
08052050	Fresh or dried mandarins and wilkings	the first day of year 15
08052070	Fresh or dried tangerines	the first day of year 15
08052090	Fresh or dried tangelos, ortaniques, malaquinas and similar citrus hybrids (excl. clementines, monreales, satsumas, mandarins, wilkings and tangerines)	the first day of year 15
08055010	Fresh or dried lemons "Citrus limon, Citrus limonum"	the first day of year 2
08061010	Fresh table grapes	the first day of year 17
08081080	Fresh apples (excl. cider apples, in bulk, from 16 September to 15 December)	the first day of year 10/20 ¹

¹ The first day of year 20 for the fuji variety.

CN code	Description	Elimination on
08091000	Fresh apricots	the first day of year 7
08093010	Fresh nectarines	the first day of year 10
08093090	Fresh peaches (excl. nectarines)	the first day of year 10
08094005	Fresh plums	the first day of year 10

(c) be maintained for the following goods:

CN code	Description
07020000	Tomatoes, fresh or chilled
08051020	Fresh sweet oranges
08052030	Fresh or dried monreales and satsumas

4. The specific duty under paragraph 3 shall not exceed the lesser specific duty of the prevailing most-favoured-nation (MFN) applied rate, or the MFN applied rate of duty in effect on the day immediately preceding 1 July 2011.

ANNEX 2-B

ELECTRONICS¹

ARTICLE 1

General Provisions

1. Recalling the obligations of the Parties under the WTO Agreement, in particular the TBT Agreement, and recognising the importance of electronics for growth, employment and trade for each Party, the Parties confirm their shared objectives and principles of:

- (a) progressively and simultaneously eliminating tariffs and non-tariff obstacles to bilateral trade;
- (b) establishing competitive market conditions based on principles of openness, non discrimination, proportionality and transparency;
- (c) gradually aligning their domestic regulations with existing international standards;
- (d) promoting "one test" and, where practicable, a supplier's declaration of conformity through elimination of duplicative and unnecessarily burdensome conformity assessment procedures;
- (e) implementing appropriate regulatory and legal enforcement mechanisms related to product liability and market surveillance; and
- (f) enhancing cooperation to foster continued mutually beneficial development in trade, as well as to improve product quality with a view to ensuring protection of public health and safety of products.

2. This Annex shall apply to any standard, technical regulation and conformity assessment procedure that either Party may introduce or maintain with respect to the safety and electromagnetic compatibility (hereinafter referred to as "EMC") of electrical and electronic equipment, professional electrotechnical equipment, electrical household appliances and consumer electronics defined in Appendix 2-B-1 (hereinafter referred to as "covered products").

¹ The effects of any changes related to the requirements or procedures introduced through Articles 4, 5 and 6 of Annex 2-B of the Korea-EU FTA before the Korea-EU FTA ceases to apply to the United Kingdom, shall apply, *mutatis mutandis*, to this Annex.

ARTICLE 2

International Standards and Standard-Setting Bodies

1. The Parties recognise that the International Organization for Standards (hereinafter referred to as the "ISO"), the International Electrotechnical Commission (hereinafter referred to as the "IEC") and the International Telecommunication Union (hereinafter referred to as the "ITU") are the relevant international standard-setting bodies for EMC and safety of covered products².
2. Where relevant international standards established by the ISO, IEC and ITU exist, the Parties shall use these international standards or the relevant parts of them as a basis for any standard, technical regulation or conformity assessment procedure³.
3. The Parties shall ensure that their standard-setting bodies participate in the development of international standards in the ISO, IEC and ITU, and commit to consult with a view to establishing common approaches.

ARTICLE 3

Conformity Assessment Procedure

In case a Party requires a positive assurance of conformity with technical regulations on EMC or safety of covered products, the following rules shall apply⁴:

- (a) conformity assessment procedures shall not be prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to trade with the other Party;
- (b) except as otherwise provided under this Annex, including the transitional arrangements set out in Article 4, each Party shall accept products on its market⁵ on the basis of one or more of the following procedures as positive assurance of conformity to its technical regulations on EMC or safety of covered products:

² The Parties may agree in the future by decision of the Trade Committee on any new international standard-setting bodies which they deem relevant for the purpose of implementing this Article.

³ In case no such international standards exist, or where a Party has adopted any standard, technical regulation or conformity assessment procedure which differs from that under international standards, the Party shall limit its standard, technical regulation or conformity assessment procedure to what is necessary for the achievement of legitimate objectives on safety and other public interest requirements and, wherever appropriate, base them on products requirements in terms of performance rather than design or descriptive characteristics, in accordance with Chapter Four (Technical Barriers to Trade).

⁴ Either Party reserves its right to require in the future positive assurance of conformity for any product currently not subject to positive assurance of conformity, in which case the Party has to comply with its obligations under this Annex.

⁵ The permission to place a product on the market in accordance with this subparagraph shall include permission to affix any mandatory marks that are required for placing such product on the market.

- (i) a supplier's declaration of conformity without requiring the intervention of any conformity assessment body or testing of the product by recognised testing laboratories;
- (ii) a supplier's declaration of conformity based on a test report from any testing laboratory in the other Party's territory that has been notified by the Party at the entry into force of this Agreement or in any subsequent notifications. The notifying Party shall be solely responsible for notifying any laboratory which is competent⁶ to perform the relevant tests in its territory, without prior approval or verification by the importing Party. The importing Party may require that the declaration of conformity is submitted by the supplier before the product is placed on its market and that the declaration contains the name of the testing laboratory issuing the test report and the issuing date of the test report. The importing Party may also require a copy of the test report, including a list of critical components, demonstrating conformity to the requirements applicable to the product, and a general description of the product; or
- (iii) a supplier's declaration of conformity based on a test report issued by:
 - (A) any testing laboratory in the other Party that has concluded voluntary arrangements for mutual acceptance of test reports with one or more conformity assessment bodies designated by the importing Party; or
 - (B) a CB Test Laboratory of the other Party under the IECEE CB Scheme, accompanied by a valid CB Test Certificate, in accordance with the rules and procedures of the IECEE CB Scheme and the commitments by the Parties thereunder.

The importing Party may require for review before the product is placed on its market the submission of the declaration of conformity which contains a copy of the test report, including a list of critical components, demonstrating conformity to the requirements applicable to the product, and a general description of the product.

⁶ The specific testing laboratories that are competent in the notifying Party in accordance with its legislation, that obtain accreditation (for example under ISO/IEC 17025) by the accreditation body or that are competent for post-market surveillance for conformity assessment in the notifying Party, will be considered competent for the task envisaged in this Annex.

The choice among the procedures in this subparagraph shall rest with each Party subject to the limitations set out in Appendix 2-B-2;

- (c) the Parties shall accept the supplier as solely responsible for issuing, changing or withdrawing the declaration of conformity. The Parties may require that the declaration of conformity is dated and identifies the supplier or the supplier's authorised representative in their territories, the person empowered by the manufacturer or his authorised representative to sign the declaration, the products covered by the declaration, and the applied technical regulations to which conformity is declared. When a supplier's declaration of conformity is for a batch of products, it shall cover each article of the batch. When testing is undertaken, the choice of the testing laboratory shall rest with the supplier; and
- (d) beyond what is set out in this Article, a Party shall not require any form of registration of products that may prevent or otherwise delay the placing on the market of products that comply with the Party's technical regulations. In so far as a Party reviews the supplier's declaration in line with subparagraph (b)(iii), the review shall be solely limited to verifying, on the basis of the documentation submitted, that the test has been done in accordance with the Party's relevant technical regulations and that the information contained in the documentation is complete. Any such review shall not cause undue delay for the placing of the products on the Party's market and the declaration shall be accepted, without exceptions, if the products comply with the Party's technical regulations and the documentation submitted is complete. In the event that a declaration is rejected, the Party shall communicate its decision to the supplier immediately, together with a detailed explanation of the grounds for the rejection and how these can be rectified by the supplier, as well as an explanation of possibilities to appeal the decision.

ARTICLE 4

Transitional Arrangements

1. Subject to Article 4.3 of this Annex, the Parties shall comply with Article 3(b) of this Annex upon the entry into force of this Agreement.
2. To the extent permitted by Article 4.3 of this Annex and in so far as Korea applies, upon the entry into force of this Agreement, mandatory certification to its technical regulations on EMC or safety of covered products, including third party testing, for a product falling under the scope of this Annex, Korea may require to accept such product on its market⁷:

⁷ The permission to place a product on the market in accordance with this Article shall include permission to affix any mandatory marks that are required for placing the product on the market.

a certificate to its technical regulations issued by a conformity assessment body that has been designated according to the procedures of Korea. Korea shall accept such certificates based on a test report issued by:

- (i) any testing laboratory in the United Kingdom that has concluded voluntary arrangements for mutual acceptance of test reports with one or more conformity assessment bodies designated by Korea; or
- (ii) a United Kingdom CB Test Laboratory under the IECEE CB Scheme, accompanied by a valid CB Test Certificate, in accordance with the rules and procedures of the IECEE CB Scheme and the commitments by the United Kingdom and Korea thereunder.

The choice between the procedures in this subparagraph shall rest with Korea.

3. For those products listed in Appendix 2-B-3, Korea may continue to require positive assurance of conformity with its technical regulations on safety of covered products on the basis of a certificate in accordance with Article 4.2 of this Annex. For each product listed in Appendix 2-B-3, it will be reviewed whether accepting positive assurance of the conformity of such products with its technical regulations on safety of covered products in accordance with Article 3(b) of this Annex would create risks for human health and safety. Such risk assessment will be conducted for such products on the market, on the basis of available scientific and technical information such as consumer reports on safety accidents and non conformity rate of product inspection. It will also be considered whether the products are used for their intended end-uses and with reasonable and usual care. If the results of risk assessment demonstrate that complying with Article 3(b) of this Annex for the products concerned would create risks for human health and safety, or if the post-market surveillance system set up cannot effectively address such risks, positive assurance of conformity as set out in Article 4.2 of this Annex can be maintained. Every three years, unless otherwise agreed by the Parties, following the entry into force of this Agreement, the Parties shall review in the Committee on Trade in Goods the risk assessment with the aim of further reducing products listed in Appendix 2-B-3. If agreed by the Parties, the review by the Committee on Trade in Goods may be carried out by correspondence facilitated by the TBT Coordinators.

ARTICLE 5

Consolidation and Gradual Reduction in Requirements

1. The Parties shall, for covered products, not maintain or impose any requirements that are more trade-restrictive, or otherwise have the effect of

delaying access to their markets, than what is set out in this Annex regarding conformity assessment procedures covering EMC or safety of covered products or administrative procedures for approving or reviewing test reports.

2. Three years after the entry into force of this Agreement, and every five years thereafter, the Parties shall review the possibility of gradually eliminating technical and administrative requirements including mandatory third party testing, through expanding the introduction of a supplier's declaration of conformity in accordance with Article 3(b)(i) of this Annex and developing effective market surveillance for the proper functioning of such system.

ARTICLE 6

Exceptions and Emergency Measures

1. Notwithstanding Articles 3 through 5 of this Annex, either Party may introduce requirements for mandatory third party testing or certification for EMC or safety of covered products, or introduce administrative procedures for approving or reviewing test reports, for particular products falling within the scope of this Annex under the following conditions:
 - (a) there exist urgent and compelling reasons related to the protection of human health and safety that justify the introduction of such requirements or procedures;
 - (b) the reasons for the introduction of any such requirements or procedures are supported by substantiated technical or scientific information regarding the performance of the products in question;
 - (c) any such requirements or procedures are not more trade-restrictive than necessary to fulfil the Party's legitimate objective, taking account of the risks that non-fulfilment would create; and
 - (d) the Party could not have reasonably foreseen the need for introducing any such requirements or procedures at the time of entry into force of this Agreement.

Before introducing the requirements or procedures, the Party shall notify the other Party and, following consultations, take the comments of the other Party into account, to the greatest extent possible, in devising any such requirements or procedures. Any requirements introduced shall, to the greatest extent possible, be in compliance with this Annex. Once adopted, any requirement or procedure introduced shall be reviewed every third year from the date of its adoption and repealed if the reasons for its introduction no longer exist.

2. If a Party has good cause to believe that a covered product creates risk for human health and safety, notably because it does not comply with requirements applicable to it, the Party may require withdrawal of that product from its market. Any such temporary emergency measures shall be notified to the other Party with an objective and reasoned explanation of why such actions have been taken, indicating whether the need for such measures is due to:
 - (a) failure to comply with applicable standards or technical regulations;
 - (b) incorrect application of standards or technical regulations; or
 - (c) shortcomings in the standards or technical regulations themselves.

ARTICLE 7

Implementation and Cooperation

1. The Parties shall closely cooperate to promote common understanding on regulatory issues, including those related to radio frequency equipment, and consider any request of the other Party regarding the implementation of this Annex.
2. The Parties shall cooperate to maintain and expand the voluntary arrangements for mutual acceptance of test reports between them.
3. Whenever Korea requires as a positive assurance of conformity the procedures set out in Article 3(b)(iii) and Article 4.2 of this Annex for a product falling within the scope of this Annex, it shall ensure that its certification bodies have Memoranda of Understanding (MOUs) with testing laboratories in the United Kingdom, or are National Certification Bodies under the IECEE CB Scheme, for that product unless its technical regulations for that product substantially differ from relevant IEC standards.
4. When amending existing technical regulations or developing any new technical regulation for EMC or safety of covered products, a Party shall notify the other Party in advance, provide, upon request, additional available information or written responses to the comments made by the other Party and, as appropriate, consider the other Party's views.
5. The Parties agree to consult promptly on any issue that may arise concerning the implementation of this Annex, and to cooperate for the further facilitation of trade in covered products, including, as appropriate, through the promotion of international standards.
6. The Parties shall protect any confidential business information obtained under the procedures referred to in this Annex.

APPENDIX 2-B-1

1. Annex 2-B shall cover those products listed in Article 1.2 of Annex 2-B which:

- (a) in the case of the United Kingdom's obligations, fall, at the date of signature of this Agreement, within the scope of *Directive 2006/95/EC* of the European Parliament and of the Council of 12 December 2006 on the harmonisation of the laws of Member States relating to electrical equipment designed for use within certain voltage limits (codified version), or *Directive 2004/108/EC* of the European Parliament and of the Council of 15 December 2004 on the approximation of the laws of the Member States relating to electromagnetic compatibility and repealing *Directive 89/336/EEC*, or of the provisions on safety or electromagnetic compatibility of *Directive 1999/5/EC* of the European Parliament and of the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity; and
- (b) in the case of Korea's obligations, fall, at the date of signature of this Agreement, within the scope of the *Radio Waves Act* (Act No.8867, Feb. 29, 2008), the *Framework Act on Telecommunications* (Act No.8974, Mar. 21, 2008) or the *Electrical Appliances Safety Control Act* (Act No.8852, Feb. 29, 2008).¹

2. The Parties understand that the products covered by the domestic laws listed in this Appendix, which include all the products to which Annex 2-B applies, are intended to cover the universe of electronics products. It is understood that in case a product is not covered by Annex 2-B for a Party but is covered for the other Party, or at the time of signature of this Agreement or subsequently² subject to mandatory third party certification by a Party but not by the other Party, the other Party can subject such product to a similar treatment as may be necessary for the protection of health and safety. Before such measures are implemented, the Party wishing to introduce them shall notify the other Party of its intentions and provide for a period of three months for consultations.

¹ Notwithstanding this subparagraph, Korea may, when necessary, subject electrical equipment operated with direct current to conformity assessment procedures under the *Electrical Appliances Safety Control Act* in accordance with this paragraph.

² For instance, pursuant to Article 6 of Annex 2-B or in case specific instruments are introduced pursuant to Article 1 (4) of Directive 2004/108/EC on electromagnetic compatibility.

APPENDIX 2-B-2

1. The United Kingdom shall accept, for all covered products, the procedure set out in Article 3(b)(i) of Annex 2-B as positive assurance of conformity with its own technical regulations.
2. Korea shall accept as positive assurance of conformity with its own technical regulations,
 - (a) for products falling within the scope of the *Radio Waves Act* or the *Framework Act on Telecommunications* at the date of signature of this Agreement:
 - (i) the procedures defined in Article 3(b)(i) or 3(b)(ii) of Annex 2-B, where the choice between the two procedures shall rest with Korea.
 - (b) for products falling within the scope of the *Electrical Appliances Safety Control Act* at the date of signature of this Agreement:
 - (i) the procedures defined in Article 3(b)(i), 3(b)(ii) or 3(b)(iii) of Annex 2-B, where the choice among the three procedures shall rest with Korea.
3. For products falling, at the date of signature of this Agreement, within the scope of more than one Act referred to in paragraph 2 of this Appendix, the supplier shall remain free to provide positive assurance of conformity with EMC in accordance with either of the procedures selected by Korea in accordance with subparagraph (a) or (b) of paragraph 2 of this Appendix. In case a product falls, in the future, within the scope of more than one Act referred to in paragraph 2 of this Appendix, whether EMC or safety of covered products is concerned, the same rule shall apply.

APPENDIX 2-B-3

No.	Products	HS code
1	Cables and cord sets	854442, 854449, 854459, 854460
2	Switches	853590, 853650
3	Interceptors for electrical appliances	853521, 853529, 853620, 853630, 853650
4	Magnetic switches	853650
5	Capacitors and noise filters	853210, 853221, 853222, 853223, 853224, 853225, 853229, 853230, 853540
6	Installation accessories and connection devices	853650, 853669
7	Fuses and fuse holders, thermal-links	853510, 853610, 853630
8	Power transformers and voltage regulators	850421, 850422, 850431, 850432, 850433, 850434, 850440
9	Vacuum cleaners, floor treatment machines, steam cleaners, surface-cleaning appliances	842430, 850811, 850819, 850860
10	Electric irons and press	851640, 845130
11	Dish washers and dish driers	842211, 842219, 842220, 845140, 842240
12	Heating appliances for kitchen	841989, 841990, 851410, 851650, 851660, 851672
13	Washing machines and spin extractors	842112, 845011, 845012, 845019, 845020
14	Appliances for hair care	851631, 851632
15	Warming plates and electric hot cupboards	851660, 851679, 851680

16	Motor-operated appliances for kitchen	821490, 843510, 846722, 850940, 850980
17	Electric appliances for heating liquids	841981, 841989, 851660, 851671, 851679, 851680
18	Electric blankets and mats, electric beds	630110

No.	Products	HS code
19	Cauterizing machines and foot warmers	392210, 630110, 851680
20	Storage water heaters and Instantaneous water heaters	851610, 851660, 851679, 851680
21	Electric refrigerators and ice makers	841490, 841581, 841582, 841810, 841821, 841829, 841830, 841840, 841850, 841869, 841899
22	Microwave ovens (using the frequencies of 300 MHz - 30 GHz range)	851650
23	Sewing machines for household	845210, 845229
24	Battery chargers	850440
25	Electric driers	845121, 851629, 851679, 845129, 851632, 851633
26	Heaters	851610, 851621, 851629, 851679, 851680, 940210
27	Massage appliances	901910
28	Air-conditioners and dehumidifiers	841510, 841581, 841582, 841583
29	Pumps and electric waterspouts	841350, 841360, 841370, 841381, 841810, 961610

30	Heating tools	841989, 841990, 842240, 842290, 851511, 851519, 851521, 851580
31	Electric sauna appliances	851629, 851679
32	Aquarium heaters, air bubble generators, fishbowls for display	841350, 841360, 841370, 841381, 841480, 842139, 851629, 851660
33	Electric air bubble generators	841480, 842139
34	Insect killing or repelling devices	851660, 851679, 851680
35	Electric baths	392210, 392290, 691010, 691090

No.	Products	HS code
36	Air-cleaning appliances	841410, 841430, 841451, 841459, 841480
37	Dispensing appliances and vending machines (equipped with heating element or cooling device or discharge lamp or accommodation)	847621, 847629, 847681, 847689
38	Electric fans, range hoods	630319, 841410, 841459, 841451, 841460, 841480, 841490, 841510, 854089
39	Electric appliances for toilets and electro-motive inhalers	392290, 850819
40	Humidifiers	851580
41	Spray extraction appliances	961610
42	Electric disinfectants (only equipped with sterilizer lamp)	841989
43	Food waste process machine	850980
44	Wet towel wrapping devices	820890, 842240
45	Motor-operated electric tools	820750, 843311, 843320, 843319, 846711, 846722, 846719, 846721,

		846781, 846789, 850980
46	Copying machines	844331
47	DC power supplies (with the rated capacity of at most 1kVA, including those used in combination with AC power)	850440
48	Un-interruptible power supply	850440
49	Laminators	847989
50	Lamp holders	853661, 853669
51	Luminaires (general purpose luminaires)	940510, 940520, 940540, 940560, 940591, 940592, 940599
52	Ballaster (lamps, control gears)	850410, 853661, 853669
53	Self ballasted lamps	853990

APPENDIX 2-B-4

For the purposes of Annex 2-B, the following definitions¹ shall apply:

safety of electrical equipment means that equipment, having been constructed in accordance with good engineering practice in safety matters, does not endanger the safety of persons, domestic animals or property when properly installed, maintained and used in applications for which it was made;

electromagnetic compatibility means the ability of an equipment or system to function satisfactorily in its electromagnetic environment without introducing intolerable electromagnetic disturbances to anything in that environment;

declaration of conformity means the issuance of a statement, based on a decision following review, that fulfilment of specified requirements has been demonstrated;

standard means a document approved by a recognised body, that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method;

technical regulation means a document which lays down product characteristics or their related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method;

supplier means a manufacturer, or his or her authorised representative in the territory of the importing Party. Where neither is present in the territory of the importing Party, the responsibility for the presentation of the supplier's declaration shall rest with the importer;

conformity assessment means a procedure demonstrating that specified requirements relating to a product, process, system, person or body are fulfilled. Conformity assessment can be performed as a first-party, second-party or third-party activity and covers activities such as testing, inspection and certification; and

¹ Based on ISO/IEC 17000:2004 and the TBT Agreement.

testing laboratory means a conformity assessment body that performs testing services and has received attestation conveying formal demonstration of its competence to carry out these specific tasks.

ANNEX 2-C

MOTOR VEHICLES AND PARTS¹

ARTICLE 1

General Provisions

1. Recognising the importance of motor vehicles and parts for growth, employment and trade for each Party, the Parties confirm their shared objectives and principles, for these products, of:

- (a) ensuring full reciprocal market access by elimination of tariffs and non-tariff obstacles to bilateral trade pursuant to this Agreement;
- (b) promoting compatibility of regulations based on international standards;
- (c) establishing competitive market conditions based on principles of openness, non-discrimination and transparency;
- (d) securing the protection of human health, safety and environment; and
- (e) enhancing cooperation to foster continued mutually beneficial development in trade.

2. This Annex shall apply to all forms of motor vehicles, systems and parts thereof falling under Chapters 40, 84, 85, 87 and 94 of the HS, except those products set out in Appendix 2-C-1.

ARTICLE 2

Regulatory Convergence

1. The Parties recognise that the World Forum for Harmonisation of Vehicle Regulations (hereinafter referred to as the "WP.29"), within the framework of the United Nations Economic Commission for Europe (hereinafter referred to as the "UN ECE"), is the relevant international standard-setting body for the products covered by this Annex.

2. The Parties agree to participate actively in the development of regulations in WP.29 and shall cooperate for the adoption, without undue delay, of new regulations by WP.29.

¹ The effect of any changes to Annex 2-C of the Korea-EU FTA introduced before the Korea-EU FTA ceases to apply to the United Kingdom shall apply, mutatis mutandis, to this Annex. This is without prejudice to Article 1.3 of this Agreement.

ARTICLE 3

Market Access

Each Party shall allow on its market the products originating in the other Party, in accordance with this Article:

- (a) (i) the competent approval authorities in the United Kingdom shall accept for the purpose of United Kingdom type-approval any product that complies with the requirements listed in Table 1 of Appendix 2-C-2 as complying with the corresponding provisions of the applicable United Kingdom technical regulations²;
- (i) Korea shall accept any product that complies with the requirements listed in Table 1 of Appendix 2-C-3 as complying with the corresponding provisions of the applicable Korean technical regulations²;
- (ii) The Parties shall harmonise the regulations listed in Table 2 of Appendix 2-C-2, in case of the United Kingdom, and in Table 2 of Appendix 2-C-3, in case of Korea, with the corresponding UN ECE Regulations or Global Technical Regulations (hereinafter referred to as the "GTR") on entry into force of this Agreement, unless exceptionally a Party demonstrates that a specific UN ECE Regulation or GTR would be ineffective or inappropriate for the fulfilment of legitimate objectives pursued on the basis of substantiated scientific or technical information^{2, 3}; and
- (iii) If there arises any trade issue with regard to the technical regulations not covered by subparagraph (a)(i) or (a)(ii) or, with regard to the technical regulations covered by subparagraph (a)(iii) while there is no harmonisation, upon request of either Party, the Parties shall enter into consultations to seek a mutually satisfactory solution. In these consultations the Party intending to impose a measure materially affecting market access conditions shall provide the other Party with the basis of its intended decision,

² The classification of the products, for the purpose of applying Article 3(a)(i) through 3(a)(iii) and determining the applicable regulations, shall be that under the legislation of the importing Party.

³ The Parties understand that the regulations covered by subparagraph (a)(iii) and (a)(iv) existing at the time of signature of this Agreement have not caused serious market access problems and under the provisions of these subparagraphs they will not result in worsening of the market access conditions as compared with the situation prevailing at that time.

including a detailed explanation in terms of the relevant scientific or technical information³.

- (b) The Parties shall ensure that their respective procedures are accomplished without undue delay for the marketing of the products covered by this Annex.
- (c) Each Party shall promptly communicate to the concerned economic operators any decision taken on applications regarding conformity assessment, as well as the basis for any such decision and information on available legal remedies.
- (d) The Parties shall review Appendices 2-C-2 and 2-C-3 of this Annex no less than every three years from the entry into force of this Agreement with a view to furthering the acceptance of products as set out in subparagraph (a) of this Article, taking into account any regulatory developments that may have occurred internationally or in the Parties. Any modifications to these Appendices shall be decided upon by the Trade Committee.

ARTICLE 4

Consolidation of Regulatory Convergence

1. The Parties shall:

- (a) at any time refrain from introducing any new domestic technical regulations diverging from UN ECE Regulations or GTR in areas covered by such regulations, or where the completion of such regulations is imminent, in particular in the areas covered by Appendix 2 C-2, in the case of the United Kingdom, and Appendix 2-C-3, in the case of Korea; and
- (b) as soon as practicable after any new UN ECE Regulations or GTR is adopted by UN ECE in areas covered by existing domestic technical regulations, provide treatment for products originating in the other Party complying with UN ECE Regulations or GTR in accordance with Article 3 of this Annex, *mutatis mutandis*,

unless there are substantiated reasons based on scientific or technical information why a specific UN ECE Regulation or GTR is ineffective or inappropriate for ensuring road safety or the protection of the

³ The Parties understand that the regulations covered by subparagraph (a)(iii) and (a)(iv) existing at the time of signature of this Agreement have not caused serious market access problems and under the provisions of these subparagraphs they will not result in worsening of the market access conditions as compared with the situation prevailing at that time.

environment or public health. In these cases, any such reasons shall be notified to the other Party and made public.

2. In so far as a Party introduces or maintains technical regulations that differ from existing UN ECE Regulations in areas covered by these UN ECE Regulations, that Party shall review these technical regulations no less than every three years from the entry into force of this Agreement in order to assess whether the reasons for the imposition of the relevant technical regulations remain valid. The outcome from these reviews, as well as the technical or scientific information underpinning the outcome of these reviews, shall be made public and notified to the other Party upon request.

3. In areas where there are no UN ECE Regulations or GTR and at least one Party introduces or maintains a technical regulation, the Parties shall consult on the possibility for developing international standards covering such areas. If the development of such international standards is not possible or is inappropriate, and if the Parties introduce or maintain domestic technical regulations in such areas, the Parties undertake to consult on the possibility for approximation of their respective regulations.

ARTICLE 5

MFN Treatment

With respect to internal taxes and emission regulations on products covered by this Annex, each Party shall accord to the products originating in the other Party no less favourable treatment than that accorded to the like products originating in any third country not party to this Agreement, including as provided in any free trade agreement with such third country.

ARTICLE 6

Products with New Technologies or New Features

1. Neither Party shall prevent or unduly delay the placing on its market of a product on the ground that it incorporates a new technology or a new feature which has not yet been regulated unless it can demonstrate, based on scientific or technical information, that this new technology or new feature creates a risk for human health, safety or the environment.

2. When a Party decides to refuse the placing on the market or require the withdrawal from the market of a product on the ground that it incorporates a new technology or a new feature creating a risk for human health, safety or the environment, it shall immediately notify this decision to the other Party and to the economic operators concerned. The notification shall include all relevant scientific or technical information.

ARTICLE 7

Other Measures Restricting Trade

Each Party shall refrain from nullifying or impairing the market access benefits accruing to the other Party under this Annex through other regulatory measures specific to the sector covered by this Annex. This is without prejudice to the right to adopt measures necessary for road safety, the protection of the environment or public health and the prevention of deceptive practices provided such measures are based on substantiated scientific or technical information.

ARTICLE 8

Application of Regulations

1. When a Party accepts compliance or harmonisation with UN ECE requirements in conformity with Article 3 of this Annex, UN ECE type-approval certificates issued by competent authorities shall be considered as providing a presumption of conformity. If a Party finds that a certain product covered by a type-approval certificate does not conform to the approved type, it shall inform the other Party. This paragraph is without prejudice to the Parties' right to take appropriate measures, as set out in paragraphs 2 and 3.

2. The competent administrative authorities of each Party may verify by random sampling in accordance with its domestic legislation that the products, including those self-certified by manufacturers, comply as appropriate with:

- (a) all the technical regulations of that Party; or
- (b) the domestic technical regulations and the other requirements, as set out in Article 3(a) of this Annex.

Each Party may require the supplier to withdraw a product from its market in case the product concerned does not comply with those regulations or requirements as the case may be.

3. Type-approval can be refused if the documentation is incomplete, the relevant procedures for verifying conformity of production are not complied with, or the products concerned do not comply as appropriate with:

- (a) all the technical regulations of a Party; or
- (b) a Party's technical regulations and the other requirements, as set out in Article 3(a) of this Annex.

4. Notwithstanding compliance with the technical regulations or the requirements referred to in Article 3(a) of this Annex, a Party may, in exceptional

circumstances, refuse to a supplier the placing of a product on its market or require a supplier to withdraw that product from its market if there are urgent and compelling risks for road safety, public health or the environment based on substantiated scientific or technical information. Such a refusal shall not constitute a means of arbitrary or unjustifiable discrimination against the products of the other Party or a disguised restriction on trade. Before it is implemented, any such temporary emergency measure shall be notified to the other Party and to the supplier with an objective, reasoned and sufficiently detailed explanation of the motivation for the measure.

ARTICLE 9

Working Group on Motor Vehicles and Parts

1. In order to further facilitate trade in motor vehicles and parts and to address market access problems before they arise, the Parties agree to cooperate and to consult promptly on any matters concerning the application of this Annex. They agree to inform each other of any measure that may affect trade in products falling under the scope of this Annex, in accordance with Chapter Four (Technical Barriers to Trade). Upon request, each Party shall in a timely manner respond in writing to comments and questions regarding any problems arising with respect to any such measure, and be ready to enter into consultations on such measure with a view to seeking a mutually satisfactory outcome.

2. The Working Group on Motor Vehicles and Parts established pursuant to Article 15.3.1 (Working Groups) shall be responsible for the effective implementation of, and may consider any matter relating to, this Annex. In particular, the Working Group shall be responsible for:

- (a) preparing the Parties' cooperation with respect to the works of WP.29, in line with Article 2 of this Annex;
- (b) supervising the full implementation of the commitments set out in Article 3 of this Annex, including:
 - (i) discussing the harmonisation set out in Article 3(a)(iii);
 - (ii) providing a forum for the consultations envisaged in Article 3(a)(iv); and
 - (iii) preparing decisions of the Trade Committee set out in Article 3(d);
- (c) discussing the reviews described in Article 4.2 of this Annex and holding the consultations set out in Article 4.3 of this Annex;

- (d) discussing, as appropriate, the notifications envisaged in Articles 6 and 8 of this Annex; and
- (e) considering the application of technical regulations to motor vehicles imported under different channels and making recommendations where appropriate.

3. The Working Group shall meet at least once a year, unless agreed otherwise. Its meetings shall normally be held in conjunction with meetings of WP.29 or any other forum addressing automotive issues. The Working Group may also carry out its works by e-mail, teleconference or videoconference or any other appropriate means of communications.

ARTICLE 10

Compliance

1. Chapter Fourteen (Dispute Settlement) shall apply to this Annex subject to the following modifications:

- (a) Dispute concerning the interpretation or application of this Annex shall be considered a matter of urgency;
- (b) The period foreseen for consultations under Article 14.3 (Consultations) shall be reduced from 30 days to 15 days;
- (c) The period foreseen for the issuance of the interim panel report under Article 14.6 (Interim Panel Report) shall be reduced from 90 days to 60 days;
- (d) The period foreseen for the issuance of the arbitration panel ruling under Article 14.7 (Arbitration Panel Ruling) shall be reduced from 120 days to 75 days; and
- (e) The following sentence shall be deemed to be added to Article 14.9 (The Reasonable Period of Time for Compliance): "The Party complained against shall comply with the arbitration panel ruling without delay. If immediate compliance is not possible, the reasonable period of time should normally not exceed 90 days and in no case it shall exceed 150 days from the issuance of the arbitration panel ruling in cases where the adoption of a measure of general application that does not require legislative action is necessary for the Party complained against in order to bring itself into compliance.".

2. The Parties may agree not to apply specific provisions of this Article.

APPENDIX 2-C-1

Annex 2-C shall not cover:

- (a) Tractors (in HS 8701.10, 8701.20, 8709.11, 8709.19 and 8709.90);
- (b) Snow mobiles and Golf carts (in HS 8703.10); and
- (c) Construction machinery: (HS: 84134000, 84251100, 84251920, 84251980, 84253100, 84253930, 84253990, 84254100, 84254200, 84254900, 84261100, 84261200, 84261900, 84262000, 84263000, 84264100, 84264900, 84269110, 84269190, 84269900, 84272010, 84272090, 84281020, 84281080, 84282030, 84282091, 84282098, 84283100, 84283200, 84283300, 84283920, 84283990, 84284000, 84286000, 84289030, 84289071, 84289079, 84289091, 84289095, 84291100, 84291900, 84292000, 84293000, 84294010, 84294030, 84294090, 84295110, 84295191, 84295199, 84295210, 84295290, 84295900, 84301000, 84302000, 84303100, 84303900, 84304100, 84304900, 84305000, 84306100, 84306900, 84311000, 84313100, 84313910, 84313970, 84314100, 84314200, 84314300, 84314920, 84314980, 84741000, 84742010, 84742090, 84743100, 84743200, 84743910, 84743990, 84748010, 84748090, 84749010, 84749090, 84791000, 87013010, 87013090, 87041010, 87041090, 87051000, 87052000, 87054000 and 87059030).

APPENDIX 2-C-2

Table 1

List referred to in Article 3(a)(i) of Annex 2-C

Subject	Requirements	Corresponding United Kingdom Technical Regulation
Permissible sound level	UNECE Reg. 51	Directive 70/157/EEC
Replacement silencing systems	UNECE Reg. 59	Directive 70/157/EEC
Emissions	UNECE Reg. 83	Directive 70/220/EEC
Replacement catalytic converters	UNECE Reg. 103	Directive 70/220/EEC
Fuel tanks	UNECE Reg. 34	Directive 70/221/EEC
LPG tanks	UNECE Reg. 67	Directive 70/221/EEC
CNG tanks	UNECE Reg. 110	Directive 70/221/EEC
Rear protective device	UNECE Reg. 58	Directive 70/221/EEC
Steering effort	UNECE Reg. 79	Directive 70/311/EEC
Door latches and hinges	UNECE Reg. 11	Directive 70/387/EEC
Audible warning	UNECE Reg. 28	Directive 70/388/EEC
Indirect vision devices	UNECE Reg. 46	Directive 2003/97/EC
Braking	UNECE Reg. 13	Directive 71/320/EEC
Braking	UNECE Reg. 13H	Directive 71/320/EEC
Brake linings	UNECE Reg. 90	Directive 71/320/EEC
Radio interference (electromagnetic compatibility)	UNECE Reg. 10	Directive 72/245/EEC
Diesel smoke	UNECE Reg. 24	Directive 72/306/EEC
Interior fittings	UNECE Reg. 21	Directive 74/60/EEC
Anti-theft	UNECE Reg. 18	Directive 74/61/EEC
Anti-theft and immobiliser	UNECE Reg. 116	Directive 74/61/EEC
Vehicle Alarm Systems	UNECE Reg. 97 UNECE Reg. 116	Directive 74/61/EEC
Behaviour of steering device under impact	UNECE Reg. 12	Directive 74/297/EEC
Seat strength	UNECE Reg. 17	Directive 74/408/EEC
Seat strength (buses and coaches)	UNECE Reg. 80	Directive 74/408/EEC
Exterior projections	UNECE Reg. 26	Directive 74/483/EEC
Speedometer	UNECE Reg. 39	Directive 75/443/EEC
Seat belt anchorages	UNECE Reg. 14	Directive 76/115/EEC
Installation of lighting and light signalling devices	UNECE Reg. 48	Directive 76/756/EEC
Retro reflectors	UNECE Reg. 3	Directive 76/757/EEC
End-outline/front-position (side)/rear-position (side)/stop lamps	UNECE Reg. 7	Directive 76/758/EEC
Daytime running lamps	UNECE Reg. 87	Directive 76/758/EEC

Subject	Requirements	Corresponding United Kingdom Technical Regulation
Side marker lamps	UNECE Reg. 91	Directive 76/758/EEC
Direction indicators	UNECE Reg. 6	Directive 76/759/EEC
Rear registration plate lamp	UNECE Reg. 4	Directive 76/760/EEC
Headlamps (R ₂ and HS ₁)	UNECE Reg. 1	Directive 76/761/EEC
Headlamps (sealed beam)	UNECE Reg. 5	Directive 76/761/EEC
Headlamps (H ₁ , H ₂ , H ₃ , HB ₃ , HB ₄ , H ₇ , and/or H ₈ , H ₉ , HIR1, HIR2 and/or H ₁₁)	UNECE Reg. 8	Directive 76/761/EEC
Headlamps (H ₄)	UNECE Reg. 20	Directive 76/761/EEC
Headlamps (halogen sealed beam)	UNECE Reg. 31	Directive 76/761/EEC
Filament lamps for use in approved lamp units	UNECE Reg. 37	Directive 76/761/EEC
Headlamps with gas-discharge light sources	UNECE Reg. 98	Directive 76/761/EEC
Gas-discharge light sources for use in approved gas-discharge lamp units	UNECE Reg. 99	Directive 76/761/EEC
Headlamps (asymmetrical passing beam)	UNECE Reg. 112	Directive 76/761/EEC
Adaptative front-lighting systems	UNECE Reg. 123	Directive 76/761/EEC
Front fog lamps	UNECE Reg. 19	Directive 76/762/EEC
Rear fog lamps	UNECE Reg. 38	Directive 77/538/EEC
Reversing lamps	UNECE Reg. 23	Directive 77/539/EEC
Parking lamps	UNECE Reg. 77	Directive 77/540/EEC
Seat belts and restraint systems	UNECE Reg. 16	Directive 77/541/EEC
Child restraints	UNECE Reg. 44	Directive 77/541/EEC
Front forward field of vision	UNECE Reg. 125	Directive 77/649/EEC
Identification of controls, tell-tales and indicators	UNECE Reg. 121	Directive 78/316/EEC
Heating systems	UNECE Reg. 122	Directive 2001/56/EC
Head restraints (combined with seats)	UNECE Reg. 17	Directive 78/932/EEC
Head restraints	UNECE Reg. 25	Directive 78/932/EEC
CO ₂ emissions – Fuel consumption	UNECE Reg. 101	Directive 80/1268/EEC
Engine power	UNECE Reg. 85	Directive 80/1269/EEC
Emissions (Euro IV and V) heavy duty vehicles	UNECE Reg. 49	Directive 2005/55/EC
Lateral protection	UNECE Reg. 73	Directive 89/297/EEC
Safety glazing	UNECE Reg. 43	Directive 92/22/EEC
Tyres, motor vehicles and their trailers	UNECE Reg. 30	Directive 92/23/EEC
Tyres, commercial vehicles and their trailers	UNECE Reg. 54	Directive 92/23/EEC
Temporary-use spare wheels/tyres	UNECE Reg. 64	Directive 92/23/EEC
Rolling sound	UNECE Reg. 117	Directive 92/23/EEC
Speed limitation devices	UNECE Reg. 89	Directive 92/24/EEC
Couplings	UNECE Reg. 55	Directive 94/20/EC
Close-coupling device	UNECE Reg. 102	Directive 94/20/EC

Subject	Requirements	Corresponding United Kingdom Technical Regulation
Flammability	UNECE Reg. 118	Directive 95/28/EC
Buses and coaches	UNECE Reg. 107	Directive 2001/85/EC
Strength of superstructure (buses and coaches)	UNECE Reg. 66	Directive 2001/85/EC
Frontal impact	UNECE Reg. 94	Directive 96/79/EC
Side impact	UNECE Reg. 95	Directive 96/27/EC
Vehicles intended for the transport of dangerous goods	UNECE Reg. 105	Directive 98/91/EC
Front underrun protection	UNECE Reg. 93	Directive 2000/40/EC

Table 2

List referred to in Article 3(a)(iii) of Annex 2-C

Subject	United Kingdom Technical Regulations	Corresponding UNECE Regulations
External projections of cabs	Directive 92/114/EEC	61

APPENDIX 2-C-3

Table 1

List referred to in Article 3(a)(ii) of Annex 2-C

Subject		Requirements	Corresponding Korean Technical Regulations
Occupant crash protection	Frontal	UNECE Reg. 94	KMVSS ¹ Article 102
	Side	UNECE Reg. 95	KMVSS Article 102
Steering control rearward displacement		UNECE Reg. 12	KMVSS Article 89 paragraph 1 Item 2
Impact protection for the driver from the steering control system		UNECE Reg. 12	KMVSS Article 89 paragraph 1 Item 1
Seating systems		UNECE Reg. 17	KMVSS Article 97
Head restraints		UNECE Reg. 17, UNECE Reg. 25, GTR 7	KMVSS Articles 26, 99
Door locks and door retention components		UNECE Reg. 11, GTR 1	KMVSS Article 104 Paragraph 2
Instrument panel impact		UNECE Reg. 21	KMVSS Article 88
Seat back impact		UNECE Reg. 21	KMVSS Article 98
Armrest impact		UNECE Reg. 21	KMVSS Article 100
Sun visor impact		UNECE Reg. 21	KMVSS Article 101
Inside rear view mirror impact		UNECE Reg. 46	KMVSS Article 108
Towing hook		77/389/EEC	KMVSS Article 20 Items 1, 2, 4
Rear under-run protection		UNECE Reg. 58	KMVSS Article 19 Paragraph 4 and Article 96

¹ Korea Motor Vehicle Safety Standards.

Subject		Requirements	Corresponding Korean Technical Regulations
Lighting and signalling system	Installation	UNECE Reg. 48	KMVSS Articles 38, 39, 40, 41, 42, 43, 44, 45 and 47
	Head lamp	UNECE Reg. 1, 2, 5, 8, 20, 31, 37, UNECE Reg. 98, 99, 112, 113, 123	KMVSS Article 38, Article 48 Paragraph 3, Article 106 Item 1
	Front fog lamp	UNECE Reg. 19	KMVSS Article 38-2 Paragraph 1, Article 106 Item 2
	Backup lamp	UNECE Reg. 23	KMVSS Article 39, Article 106 Item 3
	Clearance lamp	UNECE Reg. 7	KMVSS Article 40, Article 106 Item 4
	Registration plate lamp	UNECE Reg. 4	KMVSS Article 41, Article 106 Item 5
	Tail lamp	UNECE Reg. 7	KMVSS Article 42, Article 106 Item 6
	Stop lamp	UNECE Reg. 7	KMVSS Article 43 Paragraph 1, Article 106 Item 7
	Centre high mounted stop lamp	UNECE Reg. 7	KMVSS Article 43 Paragraphs 2, 3, Article 106 Item 8
	Turn signal	UNECE Reg. 6	KMVSS Article 44, Article 106 Item 9
	Auxiliary turn signal	UNECE Reg. 7	KMVSS Article 44, Article 106 Item 10
	Rear fog lamp	UNECE Reg. 38	KMVSS Article 38-2 Paragraph 2, Article 106 Item 2
	Retro-reflection devices	UNECE Reg. 70, UNECE Reg. 3	KMVSS Article 49 paragraphs 1, 2, Article 107

Subject		Requirements	Corresponding Korean Technical Regulations
Driver's visibility		UNECE Reg. 46	KMVSS Article 50 Article 94
Engine power		UNECE Reg. 85	KMVSS Article 11 Paragraph 1 Item 2, Article 111
Device for securing driver's visibility	Windshield wiping system	78/318/ EEC	KMVSS Article 51 Paragraph 2, Article 109 Item 1
	Defrosting system	78/317/ EEC	KMVSS Article 109 Item 2
	Defogging system	78/317/ EEC	KMVSS Article 109 Item 3
	Windshield washing system	78/318/ EEC	KMVSS Article 109 Item 4
Passenger car brake		UNECE Reg. 13H	KMVSS Article 15, Article 90 Item 1
Brake system except passenger car and trailer		UNECE Reg. 13	KMVSS Article 15, Article 90 Item 2
Trailer brake system		UNECE Reg. 13	KMVSS Article 15, Article 90 Item 3
Anti-lock brake system, except trailer		UNECE Reg. 13	KMVSS Article 15, Article 90 Item 4
Trailer anti-lock brake system		UNECE Reg. 13	KMVSS Article 15, Article 90 Item 5
Steering effort		UNECE Reg. 79	KMVSS Article 14, Article 89 paragraph 2
Speed limiter		UNECE Reg. 89	KMVSS Article 110-2
Speedometer		UNECE Reg. 39	KMVSS Article 110
Electro-magnetic compatibility		UNECE Reg. 10	KMVSS Article 111-2
Fuel leakage in collision		UNECE Reg. 34, UNECE Reg. 94, UNECE Reg. 95	KMVSS Article 91

Subject		Requirements	Corresponding Korean Technical Regulations
Bumper impact		UNECE Reg. 42	KMVSS Article 93
Seat belt assembly anchorages		UNECE Reg. 14, UNECE Reg. 16	KMVSS Article 27 Paragraphs 1, 2, 3, 4, 5; Article 103 Paragraphs 1, 2, 3
Child seat anchorage		UNECE Reg. 14	KMVSS Article 27-2, Article 103-2
Horn noise, stationary noise and silencer for vehicles (4 wheels)		UNECE Reg. 28 UNECE Reg. 51	KMVSS Articles 35, 53, NVCA Article 30 and its Ordinance of MOE Article 29
Emission and noise (except the passenger vehicle noise of 3 or 4 wheels) for motor cycles		UNECE Reg. 40, UNECE Reg. 41, UNECE Reg. 47 Directives 2002/51/EC, 2003/77/EC, 97/24/EC Chapters 5 and 9	CACA Article 46 and its Ordinance of MOE Article 62, NVCA Article 30 and its Ordinance of MOE Article 29
Emission Diesel (incl. OBD)	Below 3.5t vehicle	UNECE Reg. 83, UNECE Reg. 24 Regulation (EC) 692/2008	CACA Article 46 and its Ordinance of MOE Article 62
	Over 3.5t vehicle	UNECE Reg. 49 Regulation (EC) 692/2008	
Tyres		UNECE Reg. 30, 54, 75, 106, 117, 108, 109	Quality management Safety and Control of Industrial Products Act (QMSCIPA) (Articles. 19, 20, 21); Enforcement Rules of QMSCIPA Article 2 paragraph 2, Article 19.

On-Board Diagnostic Systems for Gasoline-Powered Vehicles

Gasoline-powered vehicles complying with Euro 6 OBD shall be considered as complying with Korea LEV and ULEV OBD.

Table 2

List referred to in Article 3(a)(iii) of Annex 2-C

Subject	Korean Technical Regulations	Corresponding UNECE Regulations
Maximum Stable Inclination Angle	KMVSS Art. 8	107
Minimum Turning Radius	KMVSS Art. 9	107
Running Gear	KMVSS Art. 12	30, 54
Controls and Displays	KMVSS Art. 13	121
Frame and Body	KMVSS Art. 19	58, 73
Coupling Device	KMVSS Art. 20 Items 3, 5	55
Theft Protection	KMVSS Art. 22	18

Subject	Korean Technical Regulations	Corresponding UNECE Regulations
Riding Accommodation	KMVSS Art. 23	107
Driver's Seat	KMVSS Art. 24	107
Passenger Seat	KMVSS Art. 25	107
Seat Belt	KMVSS Art. 27	16
Standing Space	KMVSS Art. 28	107
Entrance	KMVSS Art. 29	107
Emergency Exit	KMVSS Art. 30	107
Aisle	KMVSS Art. 31	107
Safety Glazing	KMVSS Art. 34	43, GTR 6
Hazard Warning Signal Lamp	KMVSS Art. 45	48
Speedometer & Odometer	KMVSS Art. 54	39
Fire Extinguisher	KMVSS Art. 57	36
Running Gear	KMVSS Art. 64	75
Service Brake System	KMVSS Art. 67	78, GTR 3
Headlamp	KMVSS Art. 75	53, 56, 57, 72, 74, 76, 82
Registration Plate Lamp	KMVSS Art. 76	50, 53
Tail Lamp	KMVSS Art. 77	50, 53
Stop Lamp	KMVSS Art. 78	50, 53
Turn Signal Lamp	KMVSS Art. 79	50, 53
Rear Reflex Reflector	KMVSS Art. 80	3, 53
Rear view Mirror	KMVSS Art. 84	81
Speedometer	KMVSS Art. 85	39

ANNEX 2-D

PHARMACEUTICAL PRODUCTS AND MEDICAL DEVICES

ARTICLE 1

General Provisions

Recognising that while there are differences between each Party's health care system, the Parties share a commitment to promoting the development of and facilitating access to high-quality patented and generic pharmaceutical products and medical devices, as a means of continuing to improve the health of their populations. In pursuing these objectives, the Parties confirm their shared principles with respect to the importance of:

- (a) adequate access to pharmaceutical products and medical devices while providing high-quality health care;
- (b) sound economic incentives and competitive markets for the efficient development of and access to pharmaceutical products and medical devices;
- (c) appropriate government support of academic and commercial research and development, intellectual property protection and other incentives for innovation in the research and development of pharmaceutical products and medical devices;
- (d) promotion of innovation of, and timely and affordable access to, safe and effective pharmaceutical products and medical devices through transparent and accountable procedures, without impeding a Party's ability to apply high standards of safety, efficacy and quality;
- (e) ethical practices by manufacturers and suppliers of pharmaceutical products and medical devices and by health care providers on a global basis in order to achieve open, transparent, accountable and non-discriminatory health care decision-making; and
- (f) cooperation between the Parties in regulatory affairs and in the development of international practices in international organisations such as the World Health Organisation (hereinafter referred to as the "WHO"), the Organisation for Economic Co-operation Development (hereinafter referred to as the "OECD"), the International Council for Harmonization (hereinafter referred to as the "ICH") for pharmaceutical products and the International Medical Device Regulators Forum (hereinafter referred to as the "IMDRF") for medical devices, with a view to improving the safety, efficacy and quality of pharmaceutical products and medical devices.

ARTICLE 2

Access to Innovation

To the extent that health care authorities in a Party operate or maintain procedures for listing pharmaceutical products or medical devices, for indications entitled to reimbursement, or for setting the amount of reimbursement or any measures related to pricing¹ for pharmaceutical products or medical devices under health care programmes they operate, that Party shall:

- (a) ensure that the procedures, rules, criteria and implementing guidelines that apply to the listing of pharmaceutical products or medical devices, indications for reimbursement, setting the amount of reimbursement, or any measures related to listing, pricing and/or reimbursement for pharmaceutical products or medical devices are fair, transparent, reasonable and non discriminatory²; and
- (b) ensure that the health authorities' determination of pricing and reimbursement for a pharmaceutical product or medical device, once approved by the appropriate regulatory authority as safe, efficacious and of good quality, and if based on public bodies' or quasi public bodies' involvement, shall:
 - (i) appropriately recognise the value of the patented pharmaceutical product or medical device in the amount of pricing and reimbursement it provides;
 - (ii) permit a manufacturer of the pharmaceutical product or medical device to apply, based on scientific evidence of safety, efficacy, quality and benefits, for an increased amount of pricing and reimbursement over those provided for comparator products, if any, used to determine the amount of reimbursement;
 - (iii) permit a manufacturer of the pharmaceutical product or medical device, after a decision on the pricing/reimbursement is made, to apply for an increased amount of reimbursement for the product based on scientific evidence the manufacturer provides on the product's safety, efficacy, quality and benefits;

¹ References to pricing in this Annex are only relevant if applicable under the legislation of either Party.

² The Parties understand that under this subparagraph, which does not establish any obligation to reimburse products at any given price or prejudice the specific outcome of price negotiations, the criteria (which may take forms such as guidelines, public notices or "matters to be considered", etc.) on which the decisions on reimbursement and pricing will be based are expected to be objective and clear so as to allow understanding of the basis of such decisions.

- (iv) permit a manufacturer of the pharmaceutical product or medical device to apply for the amount of pricing and reimbursement and price adjustment for additional medical indications for the product, based on scientific evidence the manufacturer provides on the product's safety, efficacy, quality and benefits; and
- (v) in case a Party adjusts *ex officio* the amount of pricing/reimbursement of the pharmaceutical products or medical devices for external causes in specific circumstances, including drastic changes in economic indicators, permit a manufacturer of the pharmaceutical product or medical device to submit opinions regarding the adjustment before the adjustment is adopted.

ARTICLE 3

Transparency

1. Each Party shall ensure that its laws, regulations, procedures, administrative rulings and implementing guidelines of general application (hereinafter referred to as the "rules"), regarding any matter related to the pricing, reimbursement or regulation of pharmaceutical products or medical devices are promptly published or otherwise made available at an early appropriate stage, in such a manner as to enable interested persons and the other Party to become acquainted with them.
2. To the extent possible, each Party shall:
 - (a) publish in advance in relevant publicly accessible sites any such rules that it proposes to adopt or to significantly amend, including an explanation of the purpose of such rules;
 - (b) provide reasonable opportunities for interested persons and the other Party to comment on any such proposed rules allowing, in particular, a reasonable period of time for consultation; and
 - (c) address in writing significant and substantive issues raised in comments received from interested persons and the other Party during the comment period and explain any substantive revisions made with respect to such proposed rules, no later than the time the Party adopts them.
3. To the extent possible, each Party should allow a reasonable interval between the publication of any such rules on any matter related to the pricing, reimbursement or regulation of pharmaceutical products or medical devices and their effective date.

4. To the extent that each Party's health care authorities operate or maintain procedures for listing pharmaceutical products or medical devices, for indications entitled to reimbursement, or for setting the amount of reimbursement for pharmaceutical products or medical devices, including any measures related to the revision of pricing and reimbursement under health care programmes, the Party shall:

- (a) ensure that decisions on all formal requests and applications for the pricing or approval of pharmaceutical products or medical devices for reimbursement are adopted and communicated within a reasonable and specified period from the date of their receipt. If the information submitted by the applicant is deemed inadequate or insufficient and the procedure is suspended as a result, the Party's competent authorities shall notify the applicant of what detailed additional information is required and resume the original decision-making process upon receipt of this additional information;
- (b) disclose to applicants within a reasonable and specified period of time, all procedures, methodologies, principles, criteria, including those used, if any, to determine comparator products, and guidelines used to determine pricing and reimbursement for pharmaceutical products or medical devices;
- (c) afford applicants timely and meaningful opportunities to provide comments at relevant points in the pricing and reimbursement decision-making processes for pharmaceutical products or medical devices;
- (d) provide, within a reasonable and specified period of time, applicants with meaningful and detailed written information regarding the basis for recommendations or determinations of the pricing and reimbursement of pharmaceutical products or medical devices, including citations to any expert opinions or academic studies relied upon in making such recommendations or determinations. Specifically, in case of a negative decision on listing, prices and/or reimbursement, or should the decision-making body decide not to permit in whole or in part the price increase requested, the decision-making body shall provide a statement of reasons that is sufficiently detailed to understand the basis of the decision, including the criteria applied and, if appropriate, any expert opinions or recommendations on which the decision is based;
- (e) make available judicial, quasi-judicial or administrative tribunals, or independent review process³ that may be invoked at the request of an applicant directly affected by a recommendation or determination and at the point of communication of decision on price and reimbursement

³ In addition to what is set out in this subparagraph, applicants must be able to avail themselves of remedies ensuring effective legal protection. They must be able to appeal decisions before genuine judicial bodies.

inform the applicant of his or her rights under the laws of the Party and the procedures and time-lines for seeking such remedies;

- (f) make all reimbursement decision-making bodies open to stakeholders, including innovative and generic companies;
- (g) make publicly available a list of central bodies relevant to the pricing or reimbursement of pharmaceutical products or medical devices; and
- (h) provide access to each Party's national pricing and reimbursement arrangements including a positive list of products covered by the respective public health insurance schemes to be published on an annual basis for stakeholders with legitimate commercial interests. The negative list, if any, shall be published every six months.

5. Each Party shall ensure that all measures of general application respecting any matter related to the pricing, reimbursement or regulation of pharmaceutical products or medical devices are administered in a consistent, objective and impartial manner.

ARTICLE 4

Ethical Business Practices

1. Each Party shall adopt or maintain appropriate measures to prohibit improper inducements by manufacturers and suppliers of pharmaceutical products or medical devices to health care professionals or institutions for the listing, purchasing or prescribing of pharmaceutical products and medical devices eligible for reimbursement under health care programmes.

2. Each Party shall adopt or maintain appropriate penalties and procedures to enforce the measures that it adopts or maintains in conformity with paragraph 1.

3. Each Party shall bring to the other Party's attention any improper inducements conducted by its manufacturers of pharmaceutical products or medical devices. The Parties recall their obligations under the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions* which entered into force on 15 February 1999.

ARTICLE 5

Regulatory Cooperation

1. The Parties will take into account, as appropriate, international provisions, practices and guidelines for pharmaceutical products or medical devices, including those developed by the WHO, the OECD, the ICH, the IMDRF and the

Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S). The Parties recognise that their full participation in those relevant international bodies will facilitate regulatory cooperation between them.

2. The Parties will consider the requests by either Party to accept conformity assessments⁴ of that Party when performed in accordance with the Good Laboratory Practices and Good Manufacturing Practices of pharmaceutical products and medical devices and when both Parties' corresponding practices are in accordance with international practices.

3. For the Working Group on Pharmaceutical Products and Medical Devices established pursuant to Article 15.3.1 (Working Groups), the Parties shall provide for adequate participation of officials of agencies or departments responsible for health care or other matters and regulations covered by this Annex.

4. The Working Group shall:

- (a) monitor and support the implementation of this Annex;
- (b) promote discussion and mutual understanding of issues related to this Annex; and
- (c) promote cooperation between the Parties to achieve the objectives set out in this Annex.

5. The Working Group shall meet at least once a year, unless agreed otherwise. The Working Group may also carry out its work by e-mail, teleconference or videoconference or any other appropriate means of communications.

ARTICLE 6

Definitions

1. For the purposes of this Annex:

pharmaceutical products means any substance or combination of substances which may be administered to human beings with a view to making a medical diagnosis, to treating or preventing diseases or to restoring, correcting or modifying physiological functions or structures. Pharmaceutical products include, for example, chemical drugs, biologics/biologicals (vaccines, (anti)toxins, blood, blood components, blood-derived products), herbal drugs, radiopharmaceuticals, recombinant products, gene therapy products, cell therapy products and tissue engineered products;

⁴ For the purposes of pharmaceutical products, conformity assessment means marketing authorisation of products, and the supervision/enforcement of manufacturers' or importers' compliance with technical standards/practices.

medical device means any instrument, apparatus, appliance, material or other article, whether used alone or in combination, intended by the manufacturer to be used for human beings for medical purposes such as diagnosis, prevention, monitoring, treatment or alleviation of diseases⁵. Medical device includes software incorporated into the device by its manufacturer and necessary for the proper functioning of the device;

a Party's **health care authorities** means entities that are part of or have been established by a Party to operate or administer its health care programmes, unless otherwise specified;

health care programmes operated by a Party means health care programmes in which the health care authorities of a Party make decisions regarding matters to which this Annex applies;

manufacturer refers to the legal right holder of the product in the respective Party's territory;

a negative list is defined as a compilation of pharmaceutical products and medical devices that have been excluded from being prescribed and/or reimbursed under a Party's public health care programme(s); and

a positive list is defined as an exhaustive compilation of pharmaceutical products and medical devices that can be prescribed and/or reimbursed under a Party's public health care programme(s).

2. The definitions for pharmaceutical products and medical devices stated in paragraph 1 are without prejudice to each Party's right to classify products as either pharmaceutical products or medical devices in its legislation.

⁵ For greater clarity, medical device does not achieve its principal intended action in or on the human body by pharmacological, immunological or metabolic means, but may be assisted in its function by such means.

ANNEX 2-E

CHEMICALS

1. Recalling the obligations of the Parties under the WTO Agreement, in particular the TBT Agreement, and recognising the importance of sustainable development and trade for each Party, the Parties confirm their shared objectives and principles of:

- (a) establishing competitive market conditions based on principles of openness, non-discrimination and transparency;
- (b) enhancing cooperation to foster continued mutually beneficial development in trade;
- (c) ensuring a high level of protection of public health and the environment;
- (d) promoting alternative methods for assessment of hazards of substances and reducing animal testing;
- (e) implementing appropriate regulatory mechanisms and protecting confidential information;
- (f) contributing to the fulfilment of the Strategic Approach to International Chemicals Management; and
- (g) developing and promoting best practices on chemicals assessment and management internationally.

2. Based on the objectives and principles in paragraph 1 and with a view to facilitating and promoting trade, the Parties recognise the importance of:

- (a) ensuring transparency regarding the content of their laws, regulations and other measures of general application in the area of chemicals;
- (b) providing transparency and due process when regulating and operating their chemical management regimes;
- (c) applying, whenever possible, best practices with respect to the adoption and implementation of legislation, risk assessments and registration, authorisation, notification and treatment of confidential business information; and
- (d) cooperating in the area of Good Laboratory Practices and Test Guidelines, in order to seek a more harmonised approach to chemical assessment and management for the purpose of seeking international harmonisation of approaches thereto.

3. The Parties agree to discuss in good faith any problems arising from the application of a Party's regulations on chemicals that have a substantial effect on trade of the other Party.

4. With a view to promoting cooperation in the areas covered by this Annex and providing a forum for the discussions envisaged in paragraph 3, a Working Group on Chemicals is established pursuant to Article 15.3.1 (Working Groups). It shall meet at least once every two years, unless agreed otherwise or the problems referred to in paragraph 3 arise.

CHAPTER THREE

TRADE REMEDIES

SECTION A

BILATERAL SAFEGUARD MEASURES

ARTICLE 3.1

Application of a Bilateral Safeguard Measure

1. If, as a result of the reduction or elimination of a customs duty under this Agreement, originating goods of a Party are being imported into the territory of the other Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to a domestic industry producing like or directly competitive goods, the importing Party may adopt measures provided for in paragraph 2 in accordance with the conditions and procedures laid down in this Section.

2. The importing Party may take a bilateral safeguard measure which:

- (a) suspends further reduction of the rate of customs duty on the good concerned provided for under this Agreement; or
- (b) increases the rate of customs duty on the good to a level which does not exceed the lesser of:
 - (i) the MFN applied rate of customs duty on the good in effect at the time the measure is taken; or
 - (ii) the base rate of customs duty specified in the Schedules included in Annex 2-A (Elimination of Customs Duties) pursuant to Article 2.5.2 (Elimination of Customs Duties).

ARTICLE 3.2

Conditions and Limitations

1. A Party shall notify the other Party in writing of the initiation of an investigation described in paragraph 2 and consult with the other Party as far in advance of applying a bilateral safeguard measure as practicable, with a view to reviewing the information arising from the investigation and exchanging views on the measure.

2. A Party shall apply a bilateral safeguard measure only following an investigation by its competent authorities in accordance with Articles 3 and 4.2(c) of the *Agreement on Safeguards* contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "Agreement on Safeguards") and to this end, Articles 3 and 4.2(c) of the *Agreement on Safeguards* are incorporated into and made part of this Agreement, *mutatis mutandis*.

3. In the investigation described in paragraph 2, the Party shall comply with the requirements of Article 4.2(a) of the Agreement on Safeguards and to this end, Article 4.2(a) of the Agreement on Safeguards is incorporated into and made part of this Agreement, *mutatis mutandis*.

4. Each Party shall ensure that its competent authorities complete any such investigation within one year of its date of initiation.

5. Neither Party may apply a bilateral safeguard measure:

- (a) except to the extent, and for such time, as may be necessary to prevent or remedy serious injury and to facilitate adjustment;
- (b) for a period exceeding two years, except that the period may be extended by up to two years if the competent authorities of the importing Party determine, in conformity with the procedures specified in this Article, that the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment and that there is evidence that the industry is adjusting, provided that the total period of application of a safeguard measure, including the period of initial application and any extension thereof, shall not exceed four years; or
- (c) beyond the expiration of the transition period, except with the consent of the other Party.

6. When a Party terminates a bilateral safeguard measure, the rate of customs duty shall be the rate that, according to its Schedule included in Annex 2-A (Elimination of Customs Duties), would have been in effect but for the measure.

ARTICLE 3.3

Provisional Measures

In critical circumstances where delay would cause damage that would be difficult to repair, a Party may apply a bilateral safeguard measure on a provisional basis pursuant to a preliminary determination that there is clear evidence that imports of an originating good from the other Party have increased as the result of the reduction or elimination of a customs duty under this Agreement, and such imports cause serious injury, or threat thereof, to the domestic industry. The duration of any

provisional measure shall not exceed 200 days, during which time the Party shall comply with the requirements of Articles 3.2.2 and 3.2.3. The Party shall promptly refund any tariff increases if the investigation described in Article 3.2.2 does not result in a finding that the requirements of Article 3.1 are met. The duration of any provisional measure shall be counted as part of the period prescribed by Article 3.2.5(b).

ARTICLE 3.4

Compensation

1. A Party applying a bilateral safeguard measure shall consult with the other Party in order to mutually agree on appropriate trade liberalising compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the safeguard measure. The Party shall provide an opportunity for such consultations no later than 30 days after the application of the bilateral safeguard measure.
2. If the consultations under paragraph 1 do not result in an agreement on trade liberalising compensation within 30 days after the consultations begin, the Party whose goods are subject to the safeguard measure may suspend the application of substantially equivalent concessions to the Party applying the safeguard measure.
3. The right of suspension referred to in paragraph 2 shall not be exercised for the first 24 months during which a bilateral safeguard measure is in effect, provided that the safeguard measure conforms to the provisions of this Agreement.

ARTICLE 3.5

Definitions

For the purposes of this Section:

serious injury and **threat of serious injury** shall be understood in accordance with Article 4.1(a) and (b) of the Agreement on Safeguards. To this end, Article 4.1(a) and (b) is incorporated into and made part of this Agreement, *mutatis mutandis*; and

transition period means a period for a good from the date of entry into force of this Agreement until 10 years from the date of completion of tariff reduction or elimination as set out in Annex 2-A as the case may be for each good.

SECTION B

AGRICULTURAL SAFEGUARD MEASURES

ARTICLE 3.6

Agricultural Safeguard Measures

1. A Party may apply a measure in the form of a higher import duty on an originating agricultural good listed in its Schedule included in Annex 3, consistent with paragraphs 2 through 8, if the aggregate volume of imports of that good in any year exceeds a trigger level as set out in its Schedule included in Annex 3.
2. The duty under paragraph 1 shall not exceed the lesser of the prevailing MFN applied rate, or the MFN applied rate of duty in effect on the day immediately preceding 1 July 2011, or the tariff rate set out in the Party's Schedule included in Annex 3.
3. The duties each Party applies under paragraph 1 shall be set according to its Schedules included in Annex 3.
4. Neither Party may apply or maintain an agricultural safeguard measure under this Article and at the same time apply or maintain with respect to the same good:
 - (a) a bilateral safeguard measure in accordance with Article 3.1;
 - (b) a measure under Article XIX of GATT 1994 and the Agreement on Safeguards; or
 - (c) a special safeguard measure under Article 5 of the Agreement on Agriculture.
5. A Party shall implement any agricultural safeguard measure in a transparent manner. Within 60 days after imposing an agricultural safeguard measure, the Party applying the measure shall notify the other Party in writing and provide the other Party with relevant data concerning the measure. On the written request of the exporting Party, the Parties shall consult regarding the application of the measure.
6. The implementation and operation of this Article may be the subject of discussion and review in the Committee on Trade in Goods referred to in Article 2.16 (Committee on Trade in Goods).
7. Neither Party may apply or maintain an agricultural safeguard measure on an originating agricultural good:
 - (a) if the period specified in the agricultural safeguard provisions of its Schedule included in Annex 3 has expired; or

- (b) if the measure increases the in-quota duty on a good subject to a TRQ set out in Appendix 2 A 1 of its Schedule included in Annex 2-A (Elimination of Customs Duties).

8. Any supplies of the goods in question which were en route on the basis of a contract made before the additional duty is imposed under paragraphs 1 through 4 shall be exempted from any such additional duty, provided that they may be counted in the volume of imports of the goods in question during the following year for the purpose of triggering paragraph 1 in that year.

SECTION C

GLOBAL SAFEGUARD MEASURES

ARTICLE 3.7

Global Safeguard Measures

1. Each Party retains its rights and obligations under Article XIX of GATT 1994 and the Agreement on Safeguards. Unless otherwise provided in this Article, this Agreement does not confer any additional rights or impose any additional obligations on the Parties with regard to measures taken under Article XIX of GATT 1994 and the Agreement on Safeguards.
2. At the request of the other Party, and provided it has a substantial interest, the Party intending to take safeguard measures shall provide immediately ad hoc written notification of all pertinent information on the initiation of a safeguard investigation, the provisional findings and the final findings of the investigation.
3. For the purposes of this Article, it is considered that a Party has a substantial interest when it is among the five largest suppliers of the imported goods during the most recent three-year period of time, measured in terms of either absolute volume or value.
4. Neither Party may apply, with respect to the same good, at the same time:
 - (a) a bilateral safeguard measure in accordance with Article 3.1; and
 - (b) a measure under Article XIX of GATT 1994 and the Agreement on Safeguards.
5. Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) for any matter arising under this Section.

SECTION D

ANTI-DUMPING AND COUNTERVAILING DUTIES

ARTICLE 3.8

General Provisions

1. Except as otherwise provided for in this Chapter, the Parties maintain their rights and obligations under Article VI of GATT 1994, the *Agreement on Implementation of Article VI of GATT 1994*, contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "Anti Dumping Agreement") and the *Agreement on Subsidies and Countervailing Measures*, contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "SCM Agreement").
2. The Parties agree that anti-dumping and countervailing duties should be used in full compliance with the relevant WTO requirements and should be based on a fair and transparent system as regards proceedings affecting goods originating in the other Party. For this purpose the Parties shall ensure, immediately after any imposition of provisional measures and in any case before the final determination, full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply measures, without prejudice to Article 6.5 of the Anti-Dumping Agreement and Article 12.4 of the SCM Agreement. Disclosures shall be made in writing, and allow interested parties sufficient time to make their comments.
3. In order to ensure the maximum efficiency in handling anti-dumping or countervailing duty investigations, and in particular considering the adequate right of defence, the use of English shall be accepted by the Parties for documents filed in anti-dumping or countervailing duty investigations. Nothing in this paragraph shall prevent Korea from requesting a clarification written in Korean if:
 - (a) the meaning of the documents filed is not deemed reasonably clear by Korea's investigating authorities for the purposes of the anti-dumping or countervailing duty investigation; and
 - (b) the request is strictly limited to the part which is not reasonably clear for the purposes of the anti-dumping or countervailing duty investigation.
4. Provided that it does not unnecessarily delay the conduct of the investigation, interested parties shall be granted the opportunity to be heard in order to express their views during the anti dumping or countervailing duty investigations.

ARTICLE 3.9

Notification

1. After receipt by a Party's competent authorities of a properly documented anti-dumping application with respect to imports from the other Party, and no later than 15 days before initiating an investigation, the Party shall provide written notification to the other Party of its receipt of the application.
2. After receipt by a Party's competent authorities of a properly documented countervailing duty application with respect to imports from the other Party, and before initiating an investigation, the Party shall provide written notification to the other Party of its receipt of the application and afford the other Party a meeting to consult with its competent authorities regarding the application.

ARTICLE 3.10

Consideration of Public Interests

The Parties shall endeavor to consider the public interests before imposing an anti-dumping or countervailing duty.

ARTICLE 3.11

Investigation after Termination Resulting from a Review

The Parties agree to examine, with special care, any application for initiation of an anti-dumping investigation on a good originating in the other Party and on which anti-dumping measures have been terminated in the previous 12 months as a result of a review. Unless this pre-initiation examination indicates that the circumstances have changed, the investigation shall not proceed.

ARTICLE 3.12

Cumulative Assessment

When imports from more than one country are simultaneously subject to anti-dumping or countervailing duty investigation, a Party shall examine, with special care, whether the cumulative assessment of the effect of the imports of the other Party is appropriate in light of the conditions of competition between the imported goods and the conditions of competition between the imported goods and the like domestic goods.

ARTICLE 3.13

De-minimis Standard Applicable to Review

1. Any measure subject to a review pursuant to Article 11 of the Anti-Dumping Agreement shall be terminated where it is determined that the likely recurring dumping margin is less than the *de minimis* threshold set out in Article 5.8 of the Anti-Dumping Agreement.
2. When determining individual margins pursuant to Article 9.5 of the Anti-Dumping Agreement, no duty shall be imposed on exporters or producers in the exporting Party for which it is determined, on the basis of representative export sales, that the dumping margin is less than the *de minimis* threshold set out in Article 5.8 of the Anti-Dumping Agreement.

ARTICLE 3.14

Lesser Duty Rule

Should a Party decide to impose an anti-dumping or countervailing duty, the amount of such duty shall not exceed the margin of dumping or countervailable subsidies, and it should be less than the margin if such lesser duty would be adequate to remove the injury to the domestic industry.

ARTICLE 3.15

Dispute Settlement

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

SECTION E

INSTITUTIONAL PROVISIONS

ARTICLE 3.16

Working Group on Trade Remedy Cooperation

1. The Working Group on Trade Remedy Cooperation established pursuant to Article 15.3.1 (Working Groups) is a forum for dialogue for trade remedy cooperation.
2. The functions of the Working Group shall be to:

- (a) enhance a Party's knowledge and understanding of the other Party's trade remedy laws, policies and practices;
- (b) oversee the implementation of this Chapter;
- (c) improve cooperation between the Parties' authorities having responsibility for matters on trade remedies;
- (d) provide a forum for the Parties to exchange information on issues relating to anti-dumping, subsidies and countervailing measures and safeguards;
- (e) provide a forum for the Parties to discuss other relevant topics of mutual interest including;
 - (i) international issues relating to trade remedies, including issues relating to the WTO Doha Round Rules negotiations; and
 - (ii) practices by the Parties' competent authorities in anti-dumping, and countervailing duty investigations such as the application of "facts available" and verification procedures; and
- (f) cooperate on any other matters that the Parties agree as necessary.

3. The Working Group shall normally meet annually and, if necessary, additional meetings could be organised at the request of either Party.

ANNEX 3

AGRICULTURAL SAFEGUARD MEASURES

Schedule of Korea

Subject Goods, Trigger Levels and Maximum Safeguard Duties

1. This Annex sets out those originating goods that may be subject to agricultural safeguard measures under Article 3.6, the trigger levels for applying such measures, and the maximum safeguard duty that may be applied each year for each such good.

2. No agricultural safeguard measure may be applied or maintained after the date the safeguard duties set out below are zero.

(a) For **beef** as covered below:

Coverage: Fresh, chilled, and frozen beef muscle meats - HSK provisions 0201.10.0000, 0201.20.0000, 0201.30.0000, 0202.10.0000, 0202.20.0000 and 0202.30.0000

Year	9	10	11	12	13	14
Trigger Level (MT)	467	476	486	496	506	516
Safeguard Duty (%)	30.0	30.0	30.0	24.0	24.0	24.0

Year	15	16	17
Trigger Level (MT)	526	537	N/A
Safeguard Duty (%)	24.0	24.0	0

(b) For **pork** as covered below:

Coverage: HSK provisions 0203.19.1000 and 0203.19.9000

Year	9	10	11	12
Trigger Level (MT)	3	3	3	N/A
Safeguard Duty (%)	13.5	12.4	11.3	0

(c) For **apple** as covered below:

Coverage: HSK provision 0808.10.0000

Year	9	10	11	12	13	14
Trigger Level (MT)	48	49	50	51	52	53
Safeguard Duty (%)	33.8	33.8	33.8	27	27	27

Year	15	16	17	18	19	20
Trigger Level (MT)	54	55	56	57	58	59

Safeguard Duty (%)	27	27	22.5	22.5	22.5	22.5
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Year	21	22	23	24	25
Trigger Level (MT)	61	62	63	64	N/A
Safeguard Duty (%)	22.5	22.5	22.5	22.5	0

The trigger level concerns the total quantity of all varieties of imported apples.

In year 12 and each year thereafter through year 24, the safeguard duty may only be applied to Fuji apples.

(d) For **malt and malting barley** as covered below:

Coverage: HSK provisions 1003.00.1000 and 1107.10.0000

Year	9	10	11	12	13	14
Trigger Level (MT)	1,746	1,780	1,816	1,852	1,889	1,927
Safeguard Duty (%)						
1003.00.1000	338.0	315.0	291.0	268.0	244.0	221.0
1107.10.0000	199.0	190.0	181.0	139.0	127.0	115.0

Year	15	16	17
Trigger Level (MT)	1,966	2,005	N/A
Safeguard Duty (%)			
1003.00.1000	197.0	174.0	0
1107.10.0000	103.0	91.5	0

For quantities entered at or below the trigger level, see paragraph 5 of Appendix 2-A-1.

(e) For **potato starch** as covered below:

Coverage: HSK provision 1108.13.0000

Year	9	10	11	12	13	14
Trigger Level (MT)	43	44	45	46	47	48
Safeguard Duty (%)	336.0	321.0	306.0	235.0	215.0	195.0

Year	15	16	17
Trigger Level (MT)	49	50	N/A
Safeguard Duty (%)	175.0	155.0	0

(f) For **ginseng** as covered below:

Coverage: HSK provisions 1211.20.2210, 1211.20.2220, 1211.20.2290, 1302.19.1210, 1302.19.1220 and 1302.19.1290

Year	9	10	11	12	13	14
Trigger Level (MT)	20	21	21	21	22	22
Safeguard Duty (%)	754.3	754.3	754.3	754.3	754.3	754.3

Year	15	16	17	18	19	20
Trigger Level (MT)	23	23	24	24	25	N/A
Safeguard Duty (%)	754.3	754.3	566.0	566.0	566.0	0

(g) For **sugar** as covered below:

Coverage: HSK provision 1701.99.0000

Year	9	10	11	12	13	14
Trigger Level (MT)	4	4	4	4	4	5
Safeguard Duty (%)	50.0	50.0	50.0	50.0	50.0	50.0

Year	15	16	17	18	19	20
Trigger Level (MT)	5	5	5	5	5	5
Safeguard Duty (%)	50.0	50.0	37.5	37.5	37.5	37.5

Year	21	22
Trigger Level (MT)	5	N/A
Safeguard Duty (%)	37.5	0

(h) For **alcohol** as covered below:

Coverage: HSK provision 2207.10.9010

Year	9	10	11	12	13	14
Trigger Level (MT)	6	7	7	7	7	7
Safeguard Duty (%)	199.0	191.0	182.0	139.0	127.0	116.0

Year	15	16	17
Trigger Level (MT)	7	7	N/A
Safeguard Duty (%)	104.0	91.8	0

(i) For **dextrins** as covered below:

Coverage: HSK provisions 3505.10.4010, 3505.10.4090, 3505.10.5010 and 3505.10.5090

Year	9	10	11	12	13	14
Trigger Level (MT)	435	444	452	461	471	N/A
Safeguard Duty (%)	260.0	244.0	228.0	152.0	131.0	0

3. For the purposes of this Annex:

- (a) year nine means the 12-month period beginning on 1 July 2019;
- (b) year 10 means the 12-month period beginning on 1 July 2020;
- (c) year 11 means the 12-month period beginning on 1 July 2021;
- (d) year 12 means the 12-month period beginning on 1 July 2022;
- (e) year 13 means the 12-month period beginning on 1 July 2023;
- (f) year 14 means the 12-month period beginning on 1 July 2024;
- (g) year 15 means the 12-month period beginning on 1 July 2025;
- (h) year 16 means the 12-month period beginning on 1 July 2026;
- (i) year 17 means the 12-month period beginning on 1 July 2027;
- (j) year 18 means the 12-month period beginning on 1 July 2028;
- (k) year 19 means the 12-month period beginning on 1 July 2029;
- (l) year 20 means the 12-month period beginning on 1 July 2030;
- (m) year 21 means the 12-month period beginning on 1 July 2031;
- (n) year 22 means the 12-month period beginning on 1 July 2032;
- (o) year 23 means the 12-month period beginning on 1 July 2033;
- (p) year 24 means the 12-month period beginning on 1 July 2034; and
- (q) year 25 means the 12-month period beginning on 1 July 2035.

CHAPTER FOUR

TECHNICAL BARRIERS TO TRADE

ARTICLE 4.1

Affirmation of the TBT Agreement

The Parties affirm their existing rights and obligations with respect to each other under the *Agreement on Technical Barriers to Trade*, contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "TBT Agreement") which is incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 4.2

Scope and Definitions

1. This Chapter applies to the preparation, adoption and application of standards, technical regulations and conformity assessment procedures as defined in the TBT Agreement that may affect trade in goods between the Parties.
2. Notwithstanding paragraph 1, this Chapter does not apply to:
 - (a) technical specifications prepared by governmental bodies for production or consumption requirements of such bodies; or
 - (b) sanitary and phytosanitary measures as defined in Annex A of the *Agreement on the Application of Sanitary and Phytosanitary Measures*, contained in Annex 1A to the WTO Agreement (hereinafter referred to as the "SPS Agreement").
3. For the purposes of this Chapter, the definitions of Annex 1 to the TBT Agreement shall apply.

ARTICLE 4.3

Joint Cooperation

1. The Parties shall strengthen their cooperation in the field of standards, technical regulations and conformity assessment procedures with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets. To this end, they may establish regulatory dialogues at both the horizontal and sectoral levels.

2. In their bilateral cooperation, the Parties shall seek to identify, develop and promote trade facilitating initiatives which may include, but are not limited to:

- (a) reinforcing regulatory cooperation through, for example, the exchange of information, experiences and data and scientific and technical cooperation with a view to improving the quality and level of their technical regulations and making efficient use of regulatory resources;
- (b) where appropriate, simplifying technical regulations, standards and conformity assessment procedures;
- (c) where the Parties agree, and where appropriate, for example where no international standard exists, avoiding unnecessary divergence in approach to regulations and conformity assessment procedures, and working towards the possibility of converging or aligning technical requirements; and
- (d) promoting and encouraging bilateral cooperation between their respective organisations, public or private, responsible for metrology, standardisation, testing, certification and accreditation.

3. On request, a Party shall give due consideration to proposals that the other Party makes for cooperation under the terms of this Chapter.

ARTICLE 4.4

Technical Regulations

1. The Parties agree to make best use of good regulatory practice, as provided for in the TBT Agreement. In particular, the Parties agree:

- (a) to fulfil the transparency obligations of the Parties as indicated in the TBT Agreement;
- (b) to use relevant international standards as a basis for technical regulations including conformity assessment procedures, except when such international standards would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, and where international standards have not been used as a basis, to explain on request to the other Party the reasons why such standards have been judged inappropriate or ineffective for the aim pursued;
- (c) when a Party has adopted or is proposing to adopt a technical regulation, to provide the other Party on request with available

information regarding the objective, legal basis and rationale for the technical regulation;

- (d) to establish mechanisms for providing improved information on technical regulations (including through a public website) to the other Party's economic operators, and in particular to provide written information, and as appropriate and available, written guidance on compliance with their technical regulations to the other Party or its economic operators upon request without undue delay;
- (e) to take appropriate consideration of the other Party's views where a part of the process of developing a technical regulation is open to public consultation, and on request to provide written responses to the comments made by the other Party;
- (f) when making notifications in accordance with the TBT Agreement, to allow at least 60 days following the notification for the other Party to provide comments in writing on the proposal; and
- (g) to leave sufficient time between the publication of technical regulations and their entry into force for economic operators of the other Party to adapt, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise, and where practicable to give appropriate consideration to reasonable requests for extending the comment period.

2. Each Party shall ensure that economic operators and other interested persons of the other Party are allowed to participate in any formal public consultative process concerning development of technical regulations, on terms no less favourable than those accorded to its own legal or natural persons.

3. Each Party shall endeavour to apply technical regulations uniformly and consistently throughout its territory.

ARTICLE 4.5

Standards

1. The Parties reconfirm their obligations under Article 4.1 of the TBT Agreement to ensure that their standardising bodies accept and comply with the Code of Good Practice for the Preparation and Adoption of Standards in Annex 3 to the TBT Agreement, and also have regard to the principles set out in *Decisions and Recommendations adopted by the Committee* since 1 January 1995, G/TBT/1/rev.8, 23 May 2002, Section IX (*Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5 and Annex 3 of the Agreement*), issued by the WTO Committee on Technical Barriers to Trade.

2. The Parties undertake to exchange information on:
 - (a) their use of standards in connection with technical regulations;
 - (b) each other's standardisation processes, and the extent of use of international standards as a base for their national and regional standards; and
 - (c) cooperation agreements implemented by either Party on standardisation, for example information on standardisation issues in free trade agreements with third parties.

ARTICLE 4.6

Conformity Assessment and Accreditation

1. The Parties recognise that a broad range of mechanisms exist to facilitate the acceptance of the results of conformity assessment procedures conducted in the territory of the other Party, including:
 - (a) agreements on mutual acceptance of the results of conformity assessment procedures with respect to specific technical regulations conducted by bodies located in the territory of the other Party;
 - (b) accreditation procedures for qualifying conformity assessment bodies located in the territory of the other Party;
 - (c) governmental designation of conformity assessment bodies located in the territory of the other Party;
 - (d) recognition by a Party of the results of conformity assessment procedures conducted in the territory of the other Party;
 - (e) voluntary arrangements between conformity assessment bodies in the territory of each Party; and
 - (f) the importing Party's acceptance of a supplier's declaration of conformity.
2. Having regard in particular to those considerations, the Parties undertake:
 - (a) to intensify their exchange of information on these and similar mechanisms with a view to facilitating the acceptance of conformity assessment results;

- (b) to exchange information on conformity assessment procedures, and in particular on the criteria used to select appropriate conformity assessment procedures for specific products;
 - (c) to exchange information on accreditation policy, and to consider how to make best use of international standards for accreditation, and international agreements involving the Parties' accreditation bodies, for example, through the mechanisms of the International Laboratory Accreditation Cooperation and the International Accreditation Forum; and
 - (d) in line with Article 5.1.2 of the TBT Agreement, to require conformity assessment procedures that are not more strict than necessary.
3. Principles and procedures established in respect of development and adoption of technical regulations under Article 4.4 with a view to avoiding unnecessary obstacles to trade and ensuring transparency and non-discrimination shall also apply in respect of mandatory conformity assessment procedures.

ARTICLE 4.7

Market Surveillance

The Parties undertake to exchange views on market surveillance and enforcement activities.

ARTICLE 4.8

Conformity Assessment Fees

The Parties reaffirm their obligation under Article 5.2.5 of the TBT Agreement, that fees for mandatory conformity assessment of imported products shall be equitable in relation to the fees charged for conformity assessment of like products of national origin or originating in other countries, taking into account communication, transportation and other costs arising from differences between location of facilities of the applicant and the conformity assessment body, and undertake to apply this principle in the areas covered by this Chapter.

ARTICLE 4.9

Marking and Labelling

1. The Parties note the provision of paragraph 1 of Annex 1 of the TBT Agreement, that a technical regulation may include or deal exclusively with marking or labelling requirements, and agree that where their technical regulations contain mandatory marking or labelling, they will observe the principles of Article 2.2 of the

TBT Agreement, that technical regulations should not be prepared with a view to, or with the effect of, creating unnecessary obstacles to international trade, and should not be more trade restrictive than necessary to fulfil a legitimate objective.

2. In particular, the Parties agree that where a Party requires mandatory marking or labelling of products:

- (a) the Party shall endeavour to minimise its requirements for marking or labelling other than marking or labelling relevant to consumers or users of the product. Where labelling for other purposes, for example, for fiscal purposes is required, such a requirement shall be formulated in a manner that is not more trade restrictive than necessary to fulfil a legitimate objective;
- (b) the Party may specify the form of labels or markings, but shall not require any prior approval, registration or certification in this regard. This provision is without prejudice to the right of the Party to require prior approval of the specific information to be provided on the label or marking in the light of the relevant domestic regulation;
- (c) where the Party requires the use of a unique identification number by economic operators, the Party shall issue such number to the economic operators of the other Party without undue delay and on a non-discriminatory basis;
- (d) the Party shall remain free to require that the information on the marks or labels be in a specified language. Where there is an international system of nomenclature accepted by the Parties, this may also be used. The simultaneous use of other languages shall not be prohibited, provided that, either the information provided in the other languages shall be identical to that provided in the specified language, or that the information provided in the additional language shall not constitute a deceptive statement regarding the product; and
- (e) the Party shall, in cases where it considers that legitimate objectives under the TBT Agreement are not compromised thereby, endeavour to accept non-permanent or detachable labels, or marking or labelling in the accompanying documentation rather than physically attached to the product.

ARTICLE 4.10

Co-ordination Mechanism

1. The Parties agree to nominate TBT Co-ordinators and to give appropriate information to the other Party when their TBT Co-ordinator changes. The TBT Co-

ordinators shall work jointly in order to facilitate the implementation of this Chapter and cooperation between the Parties in all matters pertaining to this Chapter.

2. The Co-ordinator's functions shall include:

- (a) monitoring the implementation and administration of this Chapter, promptly addressing any issue that either Party raises related to the development, adoption, application or enforcement of standards, technical regulations and conformity assessment procedures, and upon either Party's request, consulting on any matter arising under this Chapter;
- (b) enhancing cooperation in the development and improvement of standards, technical regulations and conformity assessment procedures;
- (c) arranging the establishment of regulatory dialogues as appropriate in accordance with Article 4.3;
- (d) arranging the establishment of working groups, which may include or consult with non governmental experts and stakeholders as mutually agreed by the Parties;
- (e) exchanging information on developments in non-governmental, regional and multilateral fora related to standards, technical regulations and conformity assessment procedures; and
- (f) reviewing this Chapter in light of any developments under the TBT Agreement.

3. The Co-ordinators shall communicate with each other by any agreed method that is appropriate for the efficient and effective discharge of their functions.

ANNEX 4

TBT CO-ORDINATOR

1. In the case of Korea, the TBT Co-ordinator shall be the Korean Agency for Technology and Standards or its successor.
2. In the case of the United Kingdom, the TBT Co-ordinator shall be the Department for International Trade or its successor.

CHAPTER FIVE

SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 5.1

Objective

1. The objective of this Chapter is to minimise the negative effects of sanitary and phytosanitary measures on trade while protecting human, animal or plant life or health in the Parties' territories.
2. Furthermore, this Chapter aims to enhance cooperation between the Parties on animal welfare issues, taking into consideration various factors such as livestock industry conditions of the Parties.

ARTICLE 5.2

Scope

This Chapter applies to all sanitary and phytosanitary measures of a Party that may, directly or indirectly, affect trade between the Parties.

ARTICLE 5.3

Definition

For the purposes of this Chapter, **sanitary or phytosanitary measure** means any measure defined in paragraph 1 of Annex A of the SPS Agreement.

ARTICLE 5.4

Rights and Obligations

The Parties affirm their existing rights and obligations under the SPS Agreement.

ARTICLE 5.5

Transparency and Exchange of Information

The Parties shall:

- (a) pursue transparency as regards sanitary and phytosanitary measures applicable to trade;
- (b) enhance mutual understanding of each Party's sanitary and phytosanitary measures and their application;
- (c) exchange information on matters related to the development and application of sanitary and phytosanitary measures that affect, or may affect, trade between the Parties with a view to minimising their negative trade effects; and
- (d) communicate, upon request of a Party, the requirements that apply to the import of specific products.

ARTICLE 5.6

International Standards

The Parties shall:

- (a) cooperate, at the request of a Party, to develop a common understanding on the application of international standards in areas which affect, or may affect trade between them with a view to minimising negative effects on trade between them; and
- (b) cooperate in the development of international standards, guidelines and recommendations.

ARTICLE 5.7

Import Requirements

1. The general import requirements of a Party shall apply to the entire territory of the other Party.
2. Additional specific import requirements may be imposed on the exporting Party or parts thereof based on the determination of the animal or plant health status of the exporting Party or parts thereof made by the importing Party in accordance with the SPS Agreement, the Codex Alimentarius Commission, the World Organisation for Animal Health (hereinafter referred to as the "OIE") and the

International Plant Protection Convention (hereinafter referred to as the "IPPC") guidelines and standards.

ARTICLE 5.8

Measures Linked to Animal and Plant Health

1. The Parties shall recognise the concept of pest- or disease-free areas and areas of low pest or disease prevalence, in accordance with the SPS Agreement, OIE and IPPC standards, and shall establish an appropriate procedure for the recognition of such areas, taking into account any relevant international standard, guideline or recommendation.
2. When determining such areas, the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance and the effectiveness of sanitary or phytosanitary controls in such areas.
3. The Parties shall establish close cooperation on the determination of pest- or disease-free areas and areas of low pest or disease prevalence with the objective of acquiring confidence in the procedures followed by each Party for the determination of such areas. The Parties shall endeavour to complete this confidence-building activity within about two years from the entry into force of this Agreement. The successful completion of the confidence-building cooperation shall be confirmed by the Committee on Sanitary and Phytosanitary Measures referred to in Article 5.10.
4. When determining such areas, the importing Party shall in principle base its own determination of the animal or plant health status of the exporting Party or parts thereof on the information provided by the exporting Party in accordance with the SPS Agreement, OIE and IPPC standards, and take into consideration the determination made by the exporting Party. In this connection, if a Party does not accept the determination made by the other Party, the Party not accepting the determination shall explain the reasons and shall be ready to enter into consultations.
5. The exporting Party shall provide necessary evidence in order to objectively demonstrate to the importing Party that such areas are, and are likely to remain, pest- or disease-free areas and areas of low pest or disease prevalence, respectively. For this purpose, reasonable access shall be given, upon request, to the importing Party for inspection, testing and other relevant procedures.

ARTICLE 5.9

Cooperation on Animal Welfare

The Parties shall:

- (a) exchange information, expertise and experiences in the field of animal welfare and adopt a working plan for such activities; and
- (b) cooperate in the development of animal welfare standards in international fora, in particular with respect to the stunning and slaughter of animals.

ARTICLE 5.10

Committee on Sanitary and Phytosanitary Measures

1. The Committee on Sanitary and Phytosanitary Measures established pursuant to Article 15.2.1 (Specialised Committees) may:

- (a) develop the necessary procedures or arrangements for the implementation of this Chapter;
- (b) monitor the progress of the implementation of this Chapter;
- (c) confirm the successful completion of the confidence-building activity referred to in Article 5.8.3;
- (d) develop procedures for the approval of establishments for products of animal origin and, where appropriate, of production sites for products of plant origin; and
- (e) provide a forum for discussion of problems arising from the application of certain sanitary or phytosanitary measures with a view to reaching mutually acceptable alternatives. In this connection, the Committee shall be convened as a matter of urgency, at the request of a Party, so as to carry out consultations.

2. The Committee shall be comprised of representatives of the Parties and shall meet once a year on a mutually agreed date. The venue of meetings shall also be mutually agreed. The agenda shall be agreed before the meetings. The chairmanship shall alternate between the Parties.

ARTICLE 5.11

Dispute Settlement

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

CHAPTER SIX

CUSTOMS AND TRADE FACILITATION

ARTICLE 6.1

Objectives and Principles

With the objectives of facilitating trade and promoting customs cooperation on a bilateral and multilateral basis, the Parties agree to cooperate and to adopt and apply their import, export and transit requirements and procedures for goods on the basis of the following objectives and principles:

- (a) in order to ensure that import, export and transit requirements and procedures for goods are efficient and proportionate;
 - (i) each Party shall adopt or maintain expedited customs procedures while maintaining appropriate customs control and selection procedures;
 - (ii) import, export and transit requirements and procedures shall be no more administratively burdensome or trade restrictive than necessary to achieve legitimate objectives;
 - (iii) each Party shall provide for clearance of goods with a minimum of documentation and make electronic systems accessible to customs users;
 - (iv) each Party shall use information technology that expedites procedures for the release of goods;
 - (v) each Party shall ensure that its customs authorities and agencies involved in border controls including import, export and transit matters, cooperate and co-ordinate their activities; and
 - (vi) each Party shall provide that the use of customs brokers is optional.
- (b) import, export and transit requirements and procedures shall be based on international trade and customs instruments and standards which the Parties have accepted;
 - (i) international trade and customs instruments and standards shall be the basis for import, export and transit requirements and procedures, where such instruments and standards exist, except when they would be an inappropriate or ineffective

means for the fulfilment of the legitimate objectives pursued;
and

- (ii) data requirements and processes shall be progressively used and applied in accordance with World Customs Organization (hereinafter referred to as the "WCO") Customs Data Model and related WCO recommendations and guidelines;
- (c) requirements and procedures shall be transparent and predictable for importers, exporters and other interested parties;
- (d) each Party shall consult in a timely manner with representatives of the trading community and other interested parties, including on significant new or amended requirements and procedures prior to their adoption;
- (e) risk management principles or procedures shall be applied to focus compliance efforts on transactions that merit attention;
- (f) each Party shall cooperate and exchange information for the purpose of promoting the application of, and compliance with, the trade facilitation measures agreed upon under this Agreement; and
- (g) measures to facilitate trade shall not prejudice the fulfilment of legitimate policy objectives, such as the protection of national security, health and the environment.

ARTICLE 6.2

Release of Goods

1. Each Party shall adopt and apply simplified and efficient customs and other trade-related requirements and procedures in order to facilitate trade between the Parties.

2. Pursuant to paragraph 1, each Party shall ensure that its customs authorities, border agencies or other competent authorities apply requirements and procedures that:

- (a) provide for the release of goods within a period no longer than that required to ensure compliance with its customs and other trade-related laws and formalities. Each Party shall work to further reduce release time;
- (b) provide for advance electronic submission and eventual processing of information before physical arrival of goods, "pre-arrival processing", to enable the release of goods on arrival;

- (c) allow importers to obtain the release of goods from customs before, and without prejudice to, the final determination by its customs authority of the applicable customs duties, taxes and fees¹; and
- (d) allow goods to be released for free circulation at the point of arrival, without temporary transfer to warehouses or other facilities.

ARTICLE 6.3

Simplified Customs Procedure

The Parties shall endeavour to apply simplified import and export procedures for traders or economic operators which meet specific criteria decided by a Party, providing in particular more rapid release and clearance of goods, including advance electronic submission and processing of information before physical arrival of consignments, a lower incidence of physical inspections, and facilitation of trade with regard to, for example, simplified declarations with a minimum of documentation.

ARTICLE 6.4

Risk Management

Each Party shall apply risk management systems, to the extent possible in an electronic manner, for risk analysis and targeting that enable its customs authorities to focus inspection activities on high risk goods and that simplify the clearance and movement of low-risk goods. Each Party shall draw upon the revised *International Convention on the Simplification and Harmonisation of Customs Procedures of 1999* (hereinafter referred to as the "Kyoto Convention") and WCO Risk Management Guidelines for its risk management procedures.

ARTICLE 6.5

Transparency

1. Each Party shall ensure that its customs and other trade-related laws, regulations and general administrative procedures and other requirements, including fees and charges, are readily available to all interested parties, via an officially designated medium, and where feasible and possible, official website.

¹ A Party may require an importer to provide sufficient guarantee in the form of a surety, a deposit or some other appropriate instruments, covering the ultimate payment of the customs duties, taxes and fees in connection with the importation of the goods.

2. Each Party shall designate or maintain one or more inquiry or information points to address inquiries by interested persons concerning customs and other trade-related matters.

3. Each Party shall consult with, and provide information to, representatives of the trading community and other interested parties. Such consultations and information shall cover significant new or amended requirements and procedures and the opportunity to comment shall be provided prior to their adoption.

ARTICLE 6.6

Advance Rulings

1. Upon written request from traders, each Party shall issue written advance rulings, through its customs authorities, prior to the importation of a good into its territory in accordance with its laws and regulations, on tariff classification, origin or any other such matters as the Party may decide.

2. Subject to any confidentiality requirements in its laws and regulations, each Party shall publish, e.g. on the Internet, its advance rulings on tariff classification and any other such matters as the Party may decide.

3. To facilitate trade, the Parties shall include in their bilateral dialogue regular updates on changes in their respective legislation on the matters referred to in paragraphs 1 and 2.

ARTICLE 6.7

Appeal Procedures

1. Each Party shall ensure that with respect to its determinations on customs matters and other import, export and transit requirements and procedures, persons concerned who are the subject of such determinations shall have access to review or appeal of such determinations. A Party may require that an appeal be initially heard by the same agency, its supervisory authority or a judicial authority prior to a review by a higher independent body, which may be a judicial authority or administrative tribunal.

2. The producer or exporter may provide, upon request of the reviewing authority to the producer or exporter, information directly to the Party conducting the administrative review. The exporter or producer providing the information may ask the Party conducting the administrative review to treat that information as confidential in accordance with its laws and regulations.

ARTICLE 6.8

Confidentiality

1. Any information provided by persons or authorities of a Party to the authorities of the other Party pursuant to the provisions of this Chapter shall, including where requested pursuant to Article 6.7, be treated as being of confidential or restricted nature, depending on the laws and regulations applicable in each Party. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to similar information under the relevant laws and regulations of the Party that received it.

2. Personal data may be exchanged only where the Party receiving the data undertakes to protect such data in a manner at least equivalent to that applicable to that particular case in the Party that may supply them. The person providing information shall not stipulate any requirements which are more onerous than those applicable to it in its own jurisdiction.

3. Information referred to in paragraph 1 shall not be used by the authorities of the Party which has received it for purposes other than those for which it was provided without the express permission of the person or authority providing it.

4. Other than with the express permission of the person or authority that provided it, the information referred to in paragraph 1 shall not be published or otherwise disclosed to any persons, except where obliged or authorised to do so under the laws and regulations of the Party that received it in connection with legal proceedings. The person or authority that provided the information shall be notified of such disclosure, wherever possible, in advance.

5. Where an authority of a Party requests information pursuant to the provisions of this Chapter, it shall notify the requested persons of any possibility of disclosure in connection with legal proceedings.

6. The requesting Party shall, unless otherwise agreed by the person who provided the information, wherever appropriate, use all available measures under the applicable laws and regulations of that Party to maintain the confidentiality of information and to protect personal data in case of applications by a third party or other authorities for the disclosure of the information concerned.

ARTICLE 6.9

Fees and Charges

With regard to all fees and charges of whatever character other than customs duties and the items that are excluded from the definition of a customs duty under Article 2.3 (Customs duty) imposed in connection with importation or exportation:

- (a) fees and charges shall only be imposed for services provided in connection with the importation or exportation in question or for any formality required for undertaking such importation or exportation;
- (b) fees and charges shall not exceed the approximate cost of the service provided;
- (c) fees and charges shall not be calculated on an ad valorem basis;
- (d) fees and charges shall not be imposed with respect to consular services;
- (e) the information on fees and charges shall be published via an officially designated medium, and where feasible and possible, official website. This information shall include the reason for the fee or charge for the service provided, the responsible authority, the fees and charges that will be applied, and when and how payment is to be made; and
- (f) new or amended fees and charges shall not be imposed until information in accordance with subparagraph (e) is published and made readily available.

ARTICLE 6.10

Pre-Shipment Inspections

Neither Party shall require the use of pre-shipment inspections or their equivalent.

ARTICLE 6.11

Post Clearance Audit

Each Party shall provide traders with the opportunity to benefit from the application of efficient post clearance audits. The application of post clearance audits shall not impose unwarranted or unjustified requirements or burdens on traders.

ARTICLE 6.12

Customs Valuation

The Customs Valuation Agreement without the reservations and options provided for in Article 20 and paragraphs 2 through 4 of Annex III of the Customs Valuation

Agreement, shall be incorporated into and made part of this Agreement, *mutatis mutandis*.

ARTICLE 6.13

Customs Cooperation

1. The Parties shall enhance their cooperation in customs and customs-related matters.
2. The Parties undertake to develop trade facilitation actions in customs matters taking account of the work done in this connection by international organisations. This may include testing of new customs procedures.
3. The Parties affirm their commitment to the facilitation of the legitimate movement of goods and shall exchange expertise on measures to improve customs techniques and procedures and on computerised systems in accordance with the provisions of this Agreement.
4. The Parties shall commit to:
 - (a) pursuing the harmonisation of documentation and data elements used in trade according to international standards for the purpose of facilitating the flow of trade between them in customs-related matters regarding the importation, exportation and transit of goods;
 - (b) intensifying cooperation between their customs laboratories and scientific departments and to working towards the harmonisation of customs laboratories methods;
 - (c) exchanging customs personnel;
 - (d) jointly organising training programmes on customs-related issues, for the officials who participate directly in customs procedures;
 - (e) developing effective mechanisms for communicating with the trade and business communities;
 - (f) assisting to the extent practicable each other in the tariff classification, valuation and determination of origin for preferential tariff treatment of imported goods;
 - (g) promoting strong and efficient intellectual property rights enforcement by customs authorities, regarding imports, exports, re-exports, transit, transshipments and other customs procedures, and in particular as regards counterfeit goods; and

- (h) improving the security, while facilitating trade, of sea-container and other shipments from all locations that are imported into, transhipped through, or transiting the Parties. The Parties agree that the objectives of the intensified and broadened cooperation include, but are not limited to:
 - (i) working together to reinforce the customs related aspects for securing the logistics chain of international trade; and
 - (ii) co-ordinating positions, to the greatest extent practicable, in any multilateral fora where issues related to container security may be appropriately raised and discussed.

5. The Parties recognise that technical cooperation between them is fundamental to facilitating compliance with the obligations set forth in this Agreement and to achieving high levels of trade facilitation. The Parties, through their customs administrations, agree to develop a technical cooperation programme under mutually agreed terms as to the scope, timing and cost of cooperative measures in customs and customs-related areas.

6. Through the Parties' respective customs administrations and other border-related authorities, the Parties shall review relevant international initiatives on trade facilitation, including, *inter alia*, relevant work in the WTO and WCO, to identify areas where further joint action would facilitate trade between the Parties and promote shared multilateral objectives. The Parties shall work together to establish, wherever possible, common positions in international organisations in the field of customs and trade facilitation, notably in the WTO and WCO.

7. The Parties shall assist each other in implementation and enforcement of this Chapter, the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation, and their respective customs laws or regulations.

ARTICLE 6.14

Mutual Administrative Assistance in Customs Matters

1. The Parties shall provide mutual administrative assistance in customs matters in accordance with the provisions laid down in the Protocol on Mutual Administrative Assistance in Customs Matters.

2. Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) under this Agreement for matters covered by Article 9.1 of the Protocol on Mutual Administrative Assistance in Customs Matters.

ARTICLE 6.15

Customs Contact Points

1. The Parties shall exchange lists of designated contact points for matters arising under this Chapter and the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation.
2. The contact points shall endeavour to resolve operational matters covered by this Chapter through consultations. If a matter cannot be resolved through the contact points, the matter shall be referred to the Customs Committee referred to in this Chapter.

ARTICLE 6.16

Customs Committee

1. The Customs Committee established pursuant to Article 15.2.1 (Specialised Committees) shall ensure the proper functioning of this Chapter and the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation and the Protocol on Mutual Administrative Assistance in Customs Matters and examine all issues arising from their application. For matters covered by this Agreement, it shall report to the Trade Committee set up under Article 15.1.1 (Trade Committee).
2. The Customs Committee shall consist of representatives of the customs and other competent authorities of the Parties responsible for customs and trade facilitation matters, for the management of the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation and the Protocol on Mutual Administrative Assistance in Customs Matters.
3. The Customs Committee shall adopt its rules of procedure and meet annually, the location of the meeting alternating between the Parties.
4. On the request of a Party, the Customs Committee shall meet to discuss and endeavour to resolve any difference that may arise between the Parties on matters as included in this Chapter and the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation and the Protocol on Mutual Administrative Assistance in Customs Matters, including trade facilitation, tariff classification, origin of goods and mutual administrative assistance in customs matters, in particular relating to Articles 7 and 8 of the Protocol on Mutual Administrative Assistance in Customs Matters.
5. The Customs Committee may formulate resolutions, recommendations or opinions which it considers necessary for the attainment of the common objectives and sound functioning of the mechanisms established in this Chapter and the Protocol concerning the Definition of "Originating Products" and Methods of

Administrative Cooperation and the Protocol on Mutual Administrative Assistance
in Customs Matters.

CHAPTER SEVEN

**TRADE IN SERVICES, ESTABLISHMENT AND ELECTRONIC
COMMERCE**

SECTION A

GENERAL PROVISIONS

ARTICLE 7.1

Objective, Scope and Coverage

1. The Parties, reaffirming their respective rights and obligations under the WTO Agreement, hereby lay down the necessary arrangements for progressive reciprocal liberalisation of trade in services and establishment and for cooperation on electronic commerce.
2. Nothing in this Chapter shall be construed to impose any obligation with respect to government procurement.
3. This Chapter shall not apply to subsidies or grants provided by a Party, including government-supported loans, guarantees and insurance.
4. Consistent with this Chapter, each Party retains the right to regulate and to introduce new regulations to meet legitimate policy objectives.
5. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
6. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of a specific commitment in this Chapter and its Annexes¹.

¹ The sole fact of requiring a visa for natural persons of certain countries and not for those of others shall not be regarded as nullifying or impairing benefits under the terms of a specific commitment in this Chapter and its Annexes.

ARTICLE 7.2

Definitions

For the purposes of this Chapter:

- (a) **measure** means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action or any other form;
- (b) **measures adopted or maintained by a Party** means measures taken by:
 - (i) central, regional or local governments and authorities; and
 - (ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;
- (c) **person** means either a natural person or a juridical person;
- (d) **natural person** means a national of Korea or of the United Kingdom according to its respective legislation;
- (e) **juridical person** means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;
- (f) **juridical person of a Party** means:
 - (i) a juridical person set up in accordance with the laws of the United Kingdom or of Korea respectively, and having its registered office, central administration² or principal place of business in the territory of the United Kingdom, or of Korea respectively. Should the juridical person have only its registered office or central administration in the territory of the United Kingdom or of Korea, it shall not be considered as a juridical person of the United Kingdom or of Korea respectively, unless it engages in substantive business operations in the territory of the United Kingdom or of Korea respectively; or
 - (ii) in the case of establishment in accordance with Article 7.9(a), a juridical person owned or controlled by natural persons of the United Kingdom or of Korea respectively, or by a juridical

² **Central administration** means the head office where ultimate decision-making takes place.

person of the United Kingdom or of Korea identified under subparagraph (i) respectively.

A juridical person is:

- (i) **owned** by persons of the United Kingdom or of Korea if more than 50 percent of the equity interest in it is beneficially owned by persons of the United Kingdom or of Korea respectively;
 - (ii) **controlled** by persons of the United Kingdom or of Korea if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
 - (iii) **affiliated** with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;
- (g) Notwithstanding subparagraph (f), shipping companies established outside the United Kingdom or Korea and controlled by nationals of the United Kingdom or of Korea respectively, shall also be covered by this Agreement, if their vessels are registered in accordance with the respective legislation of the United Kingdom or of Korea and carry the flag of the United Kingdom or of Korea³;
- (h) **economic integration agreement** means an agreement substantially liberalising trade in services and establishment pursuant to the WTO Agreement in particular Articles V and V *bis* of GATS;
- (i) **aircraft repair and maintenance services** means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;
- (j) **computer reservation system** (hereinafter referred to as "CRS") **services** means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;
- (k) **selling and marketing of air transport services** means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services, nor the applicable conditions; and

³ This subparagraph shall not apply to establishment.

- (l) **service supplier** means any person that supplies or seeks to supply a service, including as an investor.

ARTICLE 7.3

Committee on Trade in Services, Establishment and Electronic Commerce

1. The Committee on Trade in Services, Establishment and Electronic Commerce established pursuant to Article 15.2.1 (Specialised Committees) shall comprise representatives of the Parties. The principal representative of the Parties for the Committee shall be an official of its authority responsible for the implementation of this Chapter.

2. The Committee shall:

- (a) supervise and assess the implementation of this Chapter;
- (b) consider issues regarding this Chapter that are referred to it by a Party;
and
- (c) provide opportunities for relevant authorities to exchange information on prudential measures with respect to Article 7.46.

SECTION B

CROSS-BORDER SUPPLY OF SERVICES

ARTICLE 7.4

Scope and Definitions

1. This Section applies to measures of the Parties affecting the cross-border supply of all service sectors with the exception of:

- (a) audio-visual services⁴
- (b) national maritime cabotage; and
- (c) domestic and international air transport services, whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than:
 - (i) aircraft repair and maintenance services;

⁴ The exclusion of audio-visual services from the scope of this Section is without prejudice to the rights and obligations derived from the Protocol on Cultural Cooperation.

- (ii) the selling and marketing of air transport services;
- (iii) CRS services; and
- (iv) other services auxiliary to air transport services, such as ground handling services, rental service of aircraft with crew and airport management services.

2. Measures affecting the cross-border supply of services include measures affecting:

- (a) the production, distribution, marketing, sale and delivery of a service;
- (b) the purchase, payment or use of a service;
- (c) the access to and use of, in connection with the supply of a service, networks or services which are required by the Parties to be offered to the public generally; and
- (d) the presence in a Party's territory of a service supplier of the other Party.

3. For the purposes of this Section:

- (a) **cross-border supply of services** is defined as the supply of a service:
 - (i) from the territory of a Party into the territory of the other Party; and
 - (ii) in the territory of a Party to the service consumer of the other Party;
- (b) **services** includes any service in any sector except services supplied in the exercise of governmental authority; and
- (c) a **service supplied in the exercise of governmental authority** means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.

ARTICLE 7.5

Market Access

1. With respect to market access through the cross-border supply of services, each Party shall accord to services and service suppliers of the other Party treatment

no less favourable than that provided for under the terms, limitations and conditions agreed and specified in the specific commitments contained in Annex 7-A.

2. In sectors where market access commitments are undertaken, the measures which a Party shall not adopt or maintain either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annex 7-A, are defined as:

- (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test⁵;
- (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test; and
- (c) limitations on the total number of service operations or on the total quantity of service output expressed in the terms of designated numerical units in the form of quotas or the requirement of an economic needs test⁶.

ARTICLE 7.6

National Treatment

1. In the sectors where market access commitments are inscribed in Annex 7-A and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the cross-border supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of a Party compared to like services or service suppliers of the other Party.

⁵ This subparagraph includes measures which require a service supplier of the other Party to have an establishment within the meaning of Article 7.9(a) or to be resident in a Party's territory as a condition for the cross-border supply of services.

⁶ This subparagraph does not cover measures of a Party which limit inputs for the cross-border supply of services.

4. Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

ARTICLE 7.7

Lists of Commitments

1. The sectors liberalised by each Party pursuant to this Section and, by means of reservations, the market access and national treatment limitations applicable to services and service suppliers of the other Party in those sectors are set out in the lists of commitments included in Annex 7-A.

2. Neither Party may adopt new, or more, discriminatory measures with regard to services or service suppliers of the other Party in comparison with treatment accorded pursuant to the specific commitments undertaken in conformity with paragraph 1.

ARTICLE 7.8

MFN Treatment⁷

1. With respect to any measures covered by this Section affecting the cross-border supply of services, unless otherwise provided for in this Article, each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords to like services and service suppliers of any third country in the context of an economic integration agreement signed after the entry into force of this Agreement.

2. Treatment arising from a regional economic integration agreement granted by either Party to services and service suppliers of a third party shall be excluded from the obligation in paragraph 1, only if this treatment is granted under sectoral or horizontal commitments for which the regional economic integration agreement stipulates a significantly higher level of obligations than those undertaken in the context of this Section as set out in Annex 7-B.

3. Notwithstanding paragraph 2, the obligations arising from paragraph 1 shall not apply to treatment granted:

- (a) under measures providing for recognition of qualifications, licences or prudential measures in accordance with Article VII of GATS or its Annex on Financial Services;

⁷ Nothing in this Article shall be interpreted as extending the scope of this Section.

- (b) under any international agreement or arrangement relating wholly or mainly to taxation; or
- (c) under measures covered by the MFN exemptions listed in Annex 7-C.

4. This Chapter shall not be so construed as to prevent any Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zone of services that are both locally produced and consumed.

SECTION C

ESTABLISHMENT

ARTICLE 7.9

Definitions

For the purposes of this Section:

- (a) **establishment** means:
 - (i) the constitution, acquisition or maintenance of a juridical person⁸; or
 - (ii) the creation or maintenance of a branch or representative officewithin the territory of a Party for the purpose of performing an economic activity;
- (b) **investor** means any person that seeks to perform or performs an economic activity through setting up an establishment⁹;
- (c) **economic activity** includes any activities of an economic nature except activities carried out in the exercise of governmental authority, i.e. activities carried out neither on a commercial basis nor in competition with one or more economic operators;

⁸ The terms "constitution" and "acquisition" of a juridical person shall be understood as including capital participation in a juridical person with a view to establishing or maintaining lasting economic links.

⁹ Where the economic activity is not performed directly by a juridical person but through other forms of establishment such as a branch or a representative office, the investor including the juridical person shall, nonetheless, through such establishment be accorded the treatment provided for investors under this Agreement. Such treatment shall be extended to the establishment through which the economic activity is performed and need not be extended to any other parts of the investor located outside the territory where the economic activity is performed.

- (d) **subsidiary of a juridical person of a Party** means a juridical person which is effectively controlled by another juridical person of that Party; and
- (e) **branch of a juridical person** means a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management and is materially equipped to negotiate business with third parties so that the latter, although knowing that there will, if necessary, be a legal link with the parent body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension.

ARTICLE 7.10

Scope

With a view to improving the investment environment, and in particular the conditions of establishment between the Parties, this Section applies to measures by the Parties affecting establishment¹⁰ in all economic activities with the exception of:

- (a) mining, manufacturing and processing¹¹ of nuclear materials;
- (b) production of, or trade in, arms, munitions and war material¹²;
- (c) audio-visual services¹³;
- (d) national maritime cabotage; and
- (e) domestic and international air transport services, whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than:
 - (i) aircraft repair and maintenance services;
 - (ii) the selling and marketing of air transport services;
 - (iii) CRS services; and

¹⁰ Investment protection, other than the treatment deriving from Article 7.12, including investor state dispute settlement procedures, is not covered by this Chapter.

¹¹ For greater certainty, processing of nuclear materials covers all the activities included in 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 code 2330.

¹² War material is limited to any product which is solely intended and made for military use in connection with the conduct of war or defence activities.

¹³ The exclusion of audio-visual services from the scope of this Section is without prejudice to the rights and obligations derived from the Protocol on Cultural Cooperation.

- (iv) other services auxiliary to air transport services, such as ground handling services, rental service of aircraft with crew and airport management services.

ARTICLE 7.11

Market Access

1. With respect to market access through establishment, each Party shall accord to establishments and investors of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in the specific commitments contained in Annex 7-A.

2. In sectors where market access commitments are undertaken, the measures which a Party shall not adopt or maintain either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annex 7-A, are defined as:

- (a) limitations on the number of establishments whether in the form of numerical quotas, monopolies, exclusive rights or other establishment requirements such as economic needs test;
- (b) limitations on the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
- (c) limitations on the total number of operations or on the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test¹⁴;
- (d) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholdings or the total value of individual or aggregate foreign investment;
- (e) measures which restrict or require specific types of legal entity or joint ventures through which an investor of the other Party may perform an economic activity; and
- (f) limitations on the total number of natural persons, other than key personnel and graduate trainees as defined in Article 7.17, that may be employed in a particular sector or that an investor may employ and who are necessary for, and directly related to, the performance of the economic activity in the form of numerical quotas or the requirement of an economic needs test.

¹⁴ Subparagraphs (a) through (c) do not cover measures taken in order to limit the production of an agricultural product.

ARTICLE 7.12

National Treatment¹⁵

1. In the sectors inscribed in Annex 7-A, and subject to any conditions and qualifications set out therein, with respect to all measures affecting establishment, each Party shall accord to establishments and investors of the other Party treatment no less favourable than that it accords to its own like establishments and investors.
2. A Party may meet the requirement of paragraph 1 by according to establishments and investors of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like establishments and investors.
3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of establishments or investors of the Party compared to like establishments or investors of the other Party.
4. Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant establishments or investors.

ARTICLE 7.13

Lists of Commitments

1. The sectors liberalised by each Party pursuant to this Section and, by means of reservations, the market access and national treatment limitations applicable to establishments and investors of the other Party in those sectors are set out in the lists of commitments included in Annex 7-A.
2. Neither Party may adopt new, or more, discriminatory measures with regard to establishments and investors of the other Party in comparison with treatment accorded pursuant to the specific commitments undertaken in conformity with paragraph 1.

¹⁵ This Article applies to measures governing the composition of boards of directors of an establishment, such as nationality and residency requirements.

ARTICLE 7.14

MFN Treatment¹⁶

1. With respect to any measures covered by this Section affecting establishment, unless otherwise provided for in this Article, each Party shall accord to establishments and investors of the other Party treatment no less favourable than that it accords to like establishments and investors of any third country in the context of an economic integration agreement signed after the entry into force of this Agreement¹⁷.

2. Treatment arising from a regional economic integration agreement granted by either Party to establishments and investors of a third party shall be excluded from the obligation in paragraph 1, only if this treatment is granted under sectoral or horizontal commitments for which the regional economic integration agreement stipulates a significantly higher level of obligations than those undertaken in the context of this Section as set out in Annex 7-B.

3. Notwithstanding paragraph 2, the obligations arising from paragraph 1 shall not apply to treatment granted:

- (a) under measures providing for recognition of qualifications, licences or prudential measures in accordance with Article VII of GATS or its Annex on Financial Services;
- (b) under any international agreement or arrangement relating wholly or mainly to taxation; or
- (c) under measures covered by an MFN exemption listed in Annex 7-C.

4. This Chapter shall not be so construed as to prevent any Party from conferring or according advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zone of services that are both locally produced and consumed.

ARTICLE 7.15

Other Agreements

Nothing in this Chapter shall be deemed to:

- (a) limit the rights of investors of the Parties to benefit from any more favourable treatment provided for in any existing or future

¹⁶ Nothing in this Article shall be interpreted as extending the scope of this Section.

¹⁷ The obligation contained in this paragraph does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to investor-state dispute settlement procedures.

international agreement relating to investment to which the United Kingdom and Korea are party; and

- (b) derogate from the international legal obligations of the Parties under those agreements that provide investors of the Parties with more favourable treatment than that provided for under this Agreement.

ARTICLE 7.16

Review of the Investment Legal Framework

1. With a view to progressively liberalising investments, the Parties shall review the investment legal framework¹⁸, the investment environment and the flow of investment between them consistent with their commitments in international agreements and such review shall commence no later than two years after the entry into force of this Agreement to feed into the subsequent negotiations set out in Article 15.5*bis* (Subsequent Negotiations).

2. In the context of the review referred to in paragraph 1, the Parties shall assess any obstacles to investment that have been encountered and shall undertake negotiations to address such obstacles, with a view to deepening the provisions of this Chapter, including with respect to general principles of investment protection.

SECTION D

TEMPORARY PRESENCE OF NATURAL PERSONS FOR BUSINESS

ARTICLE 7.17

Scope and Definitions

1. This Section applies to measures of the Parties concerning the entry into, and temporary stay in, their territories of key personnel, graduate trainees, business services sellers, contractual service suppliers and independent professionals subject to Article 7.1.5.

2. For the purposes of this Section:

- (a) **key personnel** means natural persons employed within a juridical person of a Party other than a non profit organisation and who are responsible for the setting up or the proper control, administration and operation of an establishment. Key personnel comprises business

¹⁸ This includes this Chapter and Annexes 7-A and 7-C.

visitors responsible for setting up an establishment and intra-corporate transferees;

- (i) **business visitors** means natural persons working in a senior position who are responsible for setting up an establishment. They do not engage in direct transactions with the general public and do not receive remuneration from a source located within the host Party; and
- (ii) **intra-corporate transferees** means natural persons who have been employed by a juridical person of a Party or have been partners in it (other than as majority shareholders) for at least one year and who are temporarily transferred to an establishment (including subsidiaries, affiliates or branches) in the territory of the other Party. The natural person concerned shall belong to one of the following categories.

Managers

Natural persons working in a senior position within a juridical person, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or shareholders of the business or their equivalents, including:

- (A) directing the establishment or a department or sub-division thereof;
- (B) supervising and controlling the work of other supervisory, professional or managerial employees; and
- (C) having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions.

Specialists

Natural persons working within a juridical person who possess uncommon knowledge essential to the establishment's production, research equipment, techniques or management. In assessing such knowledge, account will be taken not only of knowledge specific to the establishment, but also of whether the person has a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession.

- (b) **graduate trainees** means natural persons who have been employed by a juridical person of a Party for at least one year, who possess a university degree and who are temporarily transferred to an establishment in the territory of the other Party for career development purposes or to obtain training in business techniques or methods¹⁹;
- (c) **business service sellers** means natural persons who are representatives of a service supplier of a Party seeking temporary entry into the territory of the other Party for the purpose of negotiating the sale of services or entering into agreements to sell services for that service supplier. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within the host Party;
- (d) **contractual service suppliers** means natural persons employed by a juridical person of a Party which has no establishment in the territory of the other Party and which has concluded a bona fide contract to supply services with a final consumer in the latter Party requiring the presence on a temporary basis of its employees in that Party in order to fulfil the contract to provide services²⁰ and
- (e) **independent professionals** means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who have no establishment in the territory of the other Party and who have concluded a bona fide contract to supply services with a final consumer in the latter Party requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services²¹.

ARTICLE 7.18

Key Personnel and Graduate Trainees

1. For every sector liberalised in accordance with Section C and subject to any reservations listed in Annex 7-A, each Party shall allow investors of the other Party to transfer to their establishment natural persons of that other Party, provided that such employees are key personnel or graduate trainees as defined in Article 7.17. The temporary entry and stay of key personnel and graduate trainees shall be permitted for a period of up to three years for intra

¹⁹ The recipient establishment may be required to submit a training programme covering the duration of stay for prior approval, demonstrating that the purpose of the stay is for training corresponding to the level of a university degree.

²⁰ The service contract referred to under this subparagraph shall comply with the laws, regulations and requirements of the Party where the contract is executed.

²¹ The service contract referred to under this subparagraph shall comply with the laws, regulations and requirements of the Party where the contract is executed.

corporate transferees²², 90 days in any 12-month period for business visitors²³, and one year for graduate trainees.

2. For every sector liberalised in accordance with Section C, the measures which a Party shall not maintain or adopt, unless otherwise specified in Annex 7-A, are defined as limitations on the total number of natural persons that an investor may transfer as key personnel or graduate trainees in a specific sector in the form of numerical quotas or a requirement of an economic needs test and as discriminatory limitations²⁴.

ARTICLE 7.19

Business Service Sellers

For every sector liberalised in accordance with Section B or C and subject to any reservations listed in Annex 7-A, each Party shall allow the temporary entry and stay of business service sellers for a period of up to 90 days in any 12-month period²⁵.

ARTICLE 7.20

Contractual Service Supplier and Independent Professionals

1. The Parties reaffirm their respective obligations arising from their commitments under the GATS as regards the temporary entry and stay of contractual service suppliers and independent professionals.
2. No later than two years after the conclusion of the negotiations pursuant to Article XIX of GATS and to the *Ministerial Declaration of the WTO Ministerial Conference* adopted on 14 November 2001, the Trade Committee shall adopt a decision containing a list of commitments concerning the access of contractual service suppliers and independent professionals of a Party to the territory of the other Party. Taking into account the results of those GATS negotiations, the commitments shall be mutually beneficial and commercially meaningful.

²² A Party may authorise an extension for the period allowed in conformity with the laws and regulations in force in its territory.

²³ This paragraph is without prejudice to the rights and obligations deriving from bilateral visa waiver agreements between Korea and the United Kingdom.

²⁴ Unless otherwise provided in Annex 7-A, neither Party may require that an establishment appoints to senior management positions natural persons of any particular nationality or having residency in its territory.

²⁵ This Article is without prejudice to the rights and obligations deriving from bilateral visa waiver agreements between Korea and the United Kingdom.

SECTION E

REGULATORY FRAMEWORK

SUB-SECTION A

PROVISIONS OF GENERAL APPLICATION

ARTICLE 7.21

Mutual Recognition

1. Nothing in this Chapter shall prevent a Party from requiring that natural persons possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied, for the sector of activity concerned.
2. The Parties shall encourage the relevant representative professional bodies in their respective territories to jointly develop and provide recommendations on mutual recognition to the Trade Committee, for the purpose of the fulfilment, in whole or in part, by service suppliers and investors in services sectors, of the criteria applied by each Party for the authorisation, licensing, operation and certification of service suppliers and investors in services sectors and, in particular, professional services, including temporary licensing.
3. On receipt of a recommendation referred to in paragraph 2, the Trade Committee shall, within a reasonable time, review the recommendation with a view to determining whether it is consistent with this Agreement.
4. When, in conformity with the procedure set out in paragraph 3, a recommendation referred to in paragraph 2 has been found to be consistent with this Agreement and there is a sufficient level of correspondence between the relevant regulations of the Parties, the Parties shall, with a view to implementing that recommendation, negotiate, through their competent authorities, an agreement on mutual recognition (hereinafter referred to as an "MRA") of requirements, qualifications, licences and other regulations.
5. Any such agreement shall be in conformity with the relevant provisions of the WTO Agreement and, in particular, Article VII of GATS.
6. The Working Group on MRA established pursuant to Article 15.3.1 (Working Groups) shall operate under the Trade Committee and shall comprise representatives of the Parties. With a view to facilitating the activities referred to in paragraph 2, the Working Group shall meet within one year of the entry into force of this Agreement, unless the Parties agree otherwise.

- (a) The Working Group should consider, for services generally, and as appropriate for individual services, the following matters:
 - (i) procedures for encouraging the relevant representative bodies in their respective territories to consider their interest in mutual recognition; and
 - (ii) procedures for fostering the development of recommendations on mutual recognition by the relevant representative bodies.
- (b) The Working Group shall function as a contact point for issues relating to mutual recognition raised by relevant professional bodies of either Party.

ARTICLE 7.22

Transparency and Confidential Information

1. The Parties, through the mechanisms established pursuant to Chapter Twelve (Transparency), shall respond promptly to all requests by the other Party for specific information on:

- (a) international agreements or arrangements, including on mutual recognition, which pertain to or affect matters falling under this Chapter; and
- (b) standards and criteria for licensing and certification of service suppliers, including information concerning the appropriate regulatory or other body to consult regarding such standards and criteria. Such standards and criteria include requirements regarding education, examination, experience, conduct and ethics, professional development and re-certification, scope of practice, local knowledge and consumer protection.

2. Nothing in this Agreement shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interests, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

3. Each Party's regulatory authorities shall make publicly available the requirements, including any documentation required, for completing applications relating to the supply of services.

4. On the request of an applicant, a Party's regulatory authority shall inform the applicant of the status of its application. If the authority requires additional information from the applicant, it shall notify the applicant without undue delay.

5. On the request of an unsuccessful applicant, a regulatory authority that has denied an application shall, to the extent possible, inform the applicant of the reasons for denial of the application.

6. A Party's regulatory authority shall make an administrative decision on a completed application of an investor or a cross-border service supplier of the other Party relating to the supply of a service within 120 days, and shall promptly notify the applicant of the decision. An application shall not be considered complete until all relevant hearings are held and all necessary information is received. Where it is not possible for a decision to be made within 120 days, the regulatory authority shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable period of time thereafter.

ARTICLE 7.23

Domestic Regulation

1. Where authorisation is required for the supply of a service or for establishment on which a specific commitment has been made, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.

2. Each Party shall institute or maintain judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected investor or service supplier, for a prompt review of, and where justified, appropriate remedies for, administrative decisions affecting establishment, cross-border supply of services or temporary presence of natural persons for business purpose. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Parties shall ensure that the procedures in fact provide for an objective and impartial review.

3. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, while recognising the right to regulate and to introduce new regulations on the supply of services in order to meet public policy objectives, each Party shall endeavour to ensure, as appropriate for individual sectors, that such measures are:

- (a) based on objective and transparent criteria, such as competence and the ability to supply the service; and
- (b) in the case of licensing procedures, not in themselves a restriction on the supply of the service.

4. This Article shall be amended, as appropriate, after consultations between the Parties, to bring under this Agreement the results of the negotiations pursuant to paragraph 4 of Article VI of GATS or the results of any similar negotiations undertaken in other multilateral fora in which both Parties participate once they become effective.

ARTICLE 7.24

Governance

Each Party shall, to the extent practicable, ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in its territory. Such internationally agreed standards are, *inter alia*, the *Core Principle for Effective Banking Supervision* of the Basel Committee on Banking Supervision, the *Insurance Core Principles and Methodology*, approved in Singapore on 3 October 2003 of the International Association of Insurance Supervisors, the *Objectives and Principles of Securities Regulation* of the International Organisation of Securities Commissions, the *Agreement on Exchange of Information on Tax Matters* of the Organisation for Economic Co operation and Development (hereinafter referred to as the "OECD"), the *Statement on Transparency and Exchange of Information for Tax Purposes* of the G20, and the *Forty Recommendations on Money Laundering and Nine Special Recommendations on Terrorist Financing* of the Financial Action Task Force.

SUB-SECTION B

COMPUTER SERVICES

ARTICLE 7.25

Computer Services

1. In liberalising trade in computer services in accordance with Sections B through D, the Parties subscribe to the understanding set out in the following paragraphs.

2. CPC²⁶ 84, the United Nations code used for describing computer and related services, covers the basic functions used to provide all computer and related services including computer programs defined as the sets of instructions required to make computers work and communicate (including their development and implementation), data processing and storage, and related services, such as consultancy and training services for staff of clients. Technological developments

²⁶ CPC means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, NO 77, CPC Prov, 1991.

have led to the increased offering of these services as a bundle or package of related services that can include some or all of these basic functions. For example, services such as web or domain hosting, data mining services and grid computing consist of a combination of basic computer services functions respectively.

3. Computer and related services, regardless of whether they are delivered via a network, including the Internet, include all services that provide:

- (a) consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance or management of or for computers or computer systems;
- (b) computer programs plus consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for computer programs;
- (c) data processing, data storage, data hosting or database services;
- (d) maintenance and repair services for office machinery and equipment, including computers; or
- (e) training services for staff of clients, related to computer programs, computers or computer systems, and not elsewhere classified.

4. Computer and related services enable the provision of other services such as banking by both electronic and other means. The Parties recognise that there is an important distinction between the enabling service such as web-hosting or application hosting and the content or core service that is being delivered electronically such as banking, and that in such cases the content or core service is not covered by CPC 84.

SUB-SECTION C

POSTAL AND COURIER SERVICES

ARTICLE 7.26

Regulatory Principles

With a view to ensuring competition in postal and courier services not reserved to a monopoly in each Party, the Trade Committee shall set out the principles of the regulatory framework applicable to those services. Those principles shall aim to

address issues such as anti-competitive practices, universal service, individual licenses and nature of the regulatory authority²⁷.

SUB-SECTION D

TELECOMMUNICATIONS SERVICES

ARTICLE 7.27

Scope and Definitions

1. This Sub-section sets out the principles of the regulatory framework for the basic telecommunications services²⁸, other than broadcasting, liberalised pursuant to Sections B through D of this Chapter.
2. For the purposes of this Sub-section:
 - (a) **telecommunications services** means all services consisting of the transmission and reception of electromagnetic signals and does not cover the economic activity consisting of the provision of content which requires telecommunications for its transport;
 - (b) **public telecommunications transport service** means any telecommunications service that a Party requires, explicitly or in effect, to be offered to the public generally;
 - (c) **public telecommunications transport network** means the public telecommunications infrastructure which permits telecommunications between and among defined network termination points;
 - (d) **regulatory authority** in the telecommunication sector means the body or bodies charged with the regulation of telecommunications mentioned in this Sub-section;
 - (e) **essential facilities** means facilities of a public telecommunications transport network or service that:
 - (i) are exclusively or predominantly provided by a single or limited number of suppliers; and

²⁷ For greater certainty, nothing in this Article shall be interpreted as intending to change the regulatory framework of the existing regulatory body in Korea which regulates private delivery service suppliers upon the entry into force of this Agreement.

²⁸ These include services listed in items from a through g under C. Telecommunication Services of 2. Communication Services in the MTN/GNS/W/120.

- (ii) cannot feasibly be economically or technically substituted in order to provide a service;
- (f) **major supplier in the telecommunication sector** means a supplier that has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for telecommunications services as a result of its control over essential facilities or the use of its position in the market;
- (g) **interconnection** means linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken;
- (h) **universal service** means the set of services that must be made available to all users in the territory of a Party regardless of their geographical location and at an affordable price²⁹;
- (i) **end-user** means a final consumer of or subscriber to a public telecommunications transport service, including a service supplier other than a supplier of public telecommunications transport services;
- (j) **non-discriminatory** means treatment no less favourable than that accorded to any other user of like public telecommunications transport networks or services in like circumstances; and
- (k) **number portability** means the ability of end-users of public telecommunications transport services to retain, at the same location, the same telephone numbers without impairment of quality, reliability or convenience when switching between the same category of suppliers of public telecommunications transport services.

ARTICLE 7.28

Regulatory Authority

1. A regulatory authority for telecommunications services shall be legally distinct from and functionally independent of any supplier of telecommunications services.
2. The regulatory authority shall be sufficiently empowered to regulate the telecommunications services sector. The tasks to be undertaken by a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.

²⁹ The scope and implementation of universal services shall be decided by each Party.

3. The decisions of, and the procedures used by, the regulatory authority shall be impartial with respect to all market participants.

ARTICLE 7.29

Authorisation to Provide Telecommunications Services

1. Provision of services shall, to the extent practicable, be authorised following a simplified authorisation procedure.
2. A license can be required to address issues of attributions of frequencies, numbers and rights of way. The terms and conditions for such license shall be made publicly available.
3. Where a license is required:
 - (a) all the licensing criteria and the reasonable period of time normally required to reach a decision concerning an application for a licence shall be made publicly available;
 - (b) the reasons for the denial of a licence shall be made known in writing to the applicant upon request; and
 - (c) license fees³⁰ required by any Party for granting a licence shall not exceed the administrative costs normally incurred in the management, control and enforcement of the applicable licences³¹.

ARTICLE 7.30

Competitive Safeguards on Major Suppliers

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices. These anti competitive practices shall include in particular:

- (a) engaging in anti-competitive cross-subsidisation³²;
- (b) using information obtained from competitors with anti-competitive results; and

³⁰ License fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

³¹ Each Party shall ensure that licence fees are imposed and applied in a non discriminatory manner upon the entry into force of this Agreement.

³² Or margin squeeze for the United Kingdom

- (c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

ARTICLE 7.31

Interconnection

1. Each Party shall ensure that suppliers of public telecommunications transport networks or services in its territory provide, directly or indirectly within the same territory, to suppliers of public telecommunications transport services of the other Party the possibility to negotiate interconnection. Interconnection should in principle be agreed on the basis of commercial negotiations between the companies concerned.
2. Regulatory authorities shall ensure that suppliers that acquire information from another undertaking during the process of negotiating interconnection arrangements use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.
3. Interconnection with a major supplier shall be ensured at any technically feasible point in the network. Such interconnection shall be provided:
 - (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates, and of a quality no less favourable than that provided for its own like services, for like services of non-affiliated service suppliers or for like services of its subsidiaries or other affiliates;
 - (b) in a timely fashion, on terms and conditions (including technical standards and specifications) and at cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
 - (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.
4. The procedures applicable for interconnection with a major supplier shall be made publicly available.

5. Major suppliers shall make publicly available either their interconnection agreements or their reference interconnection offers³³.

ARTICLE 7.32

Number Portability

Each Party shall ensure that suppliers of public telecommunications transport services in its territory, other than suppliers of voice over internet protocol services, provide number portability to the extent technically feasible, and on reasonable terms and conditions.

ARTICLE 7.33

Allocation and Use of Scarce Resources

1. Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, shall be carried out in an objective, timely, transparent and non discriminatory manner.
2. The current state of allocated frequency bands shall be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

ARTICLE 7.34

Universal Service

1. Each Party has the right to define the kind of universal service obligations it wishes to maintain.
2. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, objective and non-discriminatory way. The administration of such obligations shall also be neutral with respect to competition and not be more burdensome than necessary for the kind of universal service defined by each Party.

³³ Each Party will implement this obligation in accordance with its relevant legislation.

ARTICLE 7.35

Confidentiality of Information

Each Party shall ensure the confidentiality of telecommunications and related traffic data by means of a public telecommunications transport network and publicly available telecommunications services without restricting trade in services.

ARTICLE 7.36

Resolution of Telecommunications Disputes

Recourse

1. Each Party shall ensure that:
 - (a) service suppliers may have recourse to a regulatory authority or other relevant body of the Party to resolve disputes between service suppliers or between service suppliers and users regarding matters set out in this Sub-section; and
 - (b) in the event of a dispute arising between suppliers of public telecommunications transport networks or services in connection with rights and obligations that arise from this Sub section, a regulatory authority concerned shall, at the request of either party to the dispute issue a binding decision to resolve the dispute in the shortest possible time frame and in any case within a reasonable period of time.

Appeal and Judicial Review

2. Any service supplier whose legally protected interests are adversely affected by a determination or decision of a regulatory authority:
 - (a) shall have a right to appeal against that determination or decision to an appeal body³⁴. Where the appeal body is not judicial in character, written reasons for its determination or decision shall always be given and its determination or decision shall also be subject to review by an impartial and independent judicial authority. Determinations or decisions taken by appeal bodies shall be effectively enforced; and
 - (b) may obtain review of the determination or decision by an impartial and independent judicial authority of the Party. Neither Party may permit an application for judicial review to constitute grounds for

³⁴ For disputes between service suppliers or between service suppliers and users, the appeal body shall be independent of the parties involved in the dispute.

non-compliance with the determination or decision of the regulatory authority unless the relevant judicial body stays such determination or decision.

SUB-SECTION E

FINANCIAL SERVICES

ARTICLE 7.37

Scope and Definitions

1. This Sub-section sets out the principles of the regulatory framework for all financial services liberalised pursuant to Sections B through D.
2. For the purposes of this Sub-section:

financial services means any service of a financial nature offered by a financial service supplier of a Party. Financial services include the following activities:

- (a) Insurance and insurance-related services:
 - (i) direct insurance (including co-insurance):
 - (A) life;
 - (B) non-life;
 - (ii) reinsurance and retrocession;
 - (iii) insurance inter-mediation, such as brokerage and agency; and
 - (iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services; and
- (b) Banking and other financial services (excluding insurance):
 - (i) acceptance of deposits and other repayable funds from the public;
 - (ii) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions;

- (iii) financial leasing;
- (iv) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;
- (v) guarantees and commitments;
- (vi) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:
 - (A) money market instruments (including cheques, bills and certificates of deposits);
 - (B) foreign exchange;
 - (C) derivative products including, but not limited to, futures and options;
 - (D) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - (E) transferable securities; and
 - (F) other negotiable instruments and financial assets, including bullion;
- (vii) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
- (viii) money broking;
- (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
- (x) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;
- (xi) provision and transfer of financial information, and financial data processing and related software; and
- (xii) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (i) through (xi), including credit reference and analysis, investment and

portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

financial service supplier means any natural person or juridical person of a Party that seeks to provide or provides financial services and does not include a public entity;

public entity means:

- (a) a government, a central bank or a monetary authority of a Party or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
- (b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions;

new financial service means a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party.

ARTICLE 7.38

Prudential Carve-out³⁵

1. Each Party may adopt or maintain measures for prudential reasons³⁶, including:
 - (a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier; and
 - (b) ensuring the integrity and stability of the Party's financial system.
2. These measures shall not be more burdensome than necessary to achieve their aim, and where they do not conform to the other provisions of this Agreement, they shall not be used as a means of avoiding each Party's commitments or obligations under such provisions.

³⁵ Any measure which is applied to financial service suppliers established in a Party's territory that are not regulated and supervised by the financial supervisory authority of that Party would be deemed to be a prudential measure for the purposes of this Agreement. For greater certainty, any such measure shall be taken in line with this Article.

³⁶ It is understood that the term "prudential reasons" may include the maintenance of the safety, soundness, integrity or financial responsibility of individual financial service suppliers.

3. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.
4. Without prejudice to other means of prudential regulation of cross-border trade in financial services, a Party may require the registration of cross-border financial service suppliers of the other Party and of financial instruments.

ARTICLE 7.39

Transparency

The Parties recognise that transparent regulations and policies governing the activities of financial service suppliers are important in facilitating access of foreign financial service suppliers to, and their operations in, each other's markets. Each Party commits to promoting regulatory transparency in financial services.

ARTICLE 7.40

Self-Regulatory Organisations

When a Party requires membership or participation in, or access to, any self-regulatory organisations, securities or futures exchange or market, clearing agency or any other organisation or association, in order for financial service suppliers of the other Party to supply financial services on an equal basis to financial service suppliers of the Party, or when the Party provides directly or indirectly such entities with privileges or advantages in supplying financial services, the Party shall ensure observance of the obligations of Articles 7.6, 7.8, 7.12 and 7.14 by such self regulatory organisation.

ARTICLE 7.41

Payment and Clearing Systems

Under terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities and to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to a Party's lender of last resort facilities.

ARTICLE 7.42

New Financial Services

Each Party shall permit a financial service supplier of the other Party established in its territory to provide any new financial service that the Party would permit its own financial service suppliers to supply, in like circumstances, under its domestic law, provided that the introduction of the new financial service does not require a new law or modification of an existing law. A Party may determine the institutional and juridical form through which the service may be provided and may require authorisation for the provision of the service. Where such authorisation is required, a decision shall be made within a reasonable period of time and the authorisation may be refused only for prudential reasons.

ARTICLE 7.43

Data Processing

- (a) Each Party shall permit a financial service supplier of the other Party established in its territory to transfer information in electronic or other form, into and out of its territory, for data processing where such processing is required in the ordinary course of business of such financial service supplier; and
- (b) Each Party, reaffirming its commitment³⁷ to protect fundamental rights and freedom of individuals, shall adopt adequate safeguards to the protection of privacy, in particular with regard to the transfer of personal data.

ARTICLE 7.44

Specific Exceptions

1. Nothing in this Chapter shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services forming part of a public retirement plan or statutory system of social security, except when those activities may be carried out, as provided by its domestic regulations, by financial service suppliers in competition with public entities or private institutions.

³⁷ For greater certainty, this commitment indicates the rights and freedoms set out in the *Universal Declaration of Human Rights*, the *Guidelines for the Regulation of Computerized Personal Data Files* (adopted by the United General Assembly Resolution 45/95 of 14 December 1990), and the *OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data* (adopted by the OECD Council on 23 September 1980).

2. Nothing in this Agreement shall apply to activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies.

3. Nothing in this Chapter shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services for the account or with the guarantee or using the financial resources of the Party, including its public entities except when those activities may be carried out, as provided by its domestic regulations, by financial service suppliers in competition with public entities or private institutions.

ARTICLE 7.45

Dispute Settlement

1. Chapter Fourteen (Dispute Settlement) shall apply to the settlement of disputes on financial services arising exclusively under this Chapter, except as otherwise provided in this Article.

2. The Trade Committee shall, no later than six months after the entry into force of this Agreement, establish a list of 15 individuals. Each Party shall propose five individuals respectively and the Parties shall also select five individuals who are not nationals of either Party and who shall act as chairperson to the arbitration panel. Those individuals shall have expertise or experience in financial services law or practice, which may include the regulation of financial service suppliers, and shall comply with Annex 14-C (Code of Conduct for Members of Arbitration Panels and Mediators).

3. When panellists are selected by lot pursuant to Article 14.5.3 (Establishment of the Arbitration Panel), Article 14.9.3 (The Reasonable Period of Time for Compliance), Article 14.10.3 (Review of any Measure Taken to Comply with the Arbitration Panel Ruling), Article 14.11.4 (Temporary Remedies in case of Non-compliance), Article 14.12.3 (Review of any Measure Taken to Comply after the Suspension of Obligations), Articles 6.1, 6.3 and 6.4 (Replacement) of Annex 14-B (Rules of Procedure for Arbitration), the selection shall be made in the list established pursuant to paragraph 2.

4. Notwithstanding Article 14.11, where a panel finds a measure to be inconsistent with this Agreement and the measure under dispute affects the financial services sector and any other sector, the complaining Party may suspend benefits in the financial services sector that have an effect equivalent to the effect of the measure in its financial services sector. Where such measure affects only a sector other than the financial services sector, the complaining Party may not suspend benefits in the financial services sector.

ARTICLE 7.46

Recognition

1. A Party may recognise prudential measures of the other Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties, or may be accorded autonomously.
2. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 1 with a third party, whether at the time of entry into force of this Agreement or thereafter, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

SUB-SECTION F

INTERNATIONAL MARITIME TRANSPORT SERVICES

ARTICLE 7.47

Scope, Definitions and Principles

1. This Sub-section sets out the principles regarding the liberalisation of international maritime transport services pursuant to Sections B through D.
2. For the purposes of this Sub-section:
 - (a) **international maritime transport** includes door to door transport operations, which is the carriage of goods using more than one mode of transport, involving a sea-leg, under a single transport document, and to this effect includes the right to directly contract with providers of other modes of transport;
 - (b) **maritime cargo handling services** means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:

- (i) the loading/discharging of cargo to/from a ship;
 - (ii) the lashing/unlashing of cargo; and
 - (iii) the reception/delivery and safekeeping of cargoes before shipment or after discharge;
- (c) **customs clearance services** (alternatively "customs house brokers services") means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity;
- (d) **container station and depot services** means activities consisting in storing containers in port areas with a view to their stuffing/stripping, repairing and making them available for shipments; and
- (e) **maritime agency services** means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- (i) marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information; and
 - (ii) acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

3. In view of the existing levels of liberalisation between the Parties in international maritime transport:

- (a) the Parties shall apply effectively the principle of unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis; and
- (b) each Party shall grant to ships flying the flag of the other Party or operated by service suppliers of the other Party treatment no less favourable than that accorded to its own ships with regard to, inter alia, access to ports, use of infrastructure and auxiliary maritime services of the ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

4. In applying these principles, the Parties shall:

- (a) not introduce cargo-sharing arrangements in future bilateral agreements with third parties concerning maritime transport services, including dry and liquid bulk and liner trade, and not activate such cargo-sharing arrangements in case they exist in previous bilateral agreements; and
- (b) upon the entry into force of this Agreement, abolish and abstain from introducing any unilateral measures and administrative, technical and other obstacles which could restrict free and fair competition or constitute a disguised restriction or have discriminatory effects on the free supply of services in international maritime transport.

5. Each Party shall permit international maritime service suppliers of the other Party to have an establishment in its territory under conditions of establishment and operation no less favourable than those accorded to its own service suppliers or those of any third party, whichever are the better, in accordance with the conditions inscribed in its list of commitments.

6. Each Party shall make available to international maritime transport suppliers of the other Party on reasonable and non-discriminatory terms and conditions the following services at the port:

- (a) pilotage;
- (b) towing and tug assistance;
- (c) provisioning;
- (d) fuelling and watering;
- (e) garbage collecting and ballast waste disposal;
- (f) port captain's services;
- (g) navigation aids; and
- (h) shore-based operational services essential to ship operations, including communications, water and electrical supplies, emergency repair facilities, anchorage, berth and berthing services.

SECTION F

ELECTRONIC COMMERCE

ARTICLE 7.48

Objective and Principles

1. The Parties, recognising the economic growth and trade opportunities that electronic commerce provides, the importance of avoiding barriers to its use and development, and the applicability of the WTO Agreement to measures affecting electronic commerce, agree to promote the development of electronic commerce between them, in particular by cooperating on the issues raised by electronic commerce under this Chapter.
2. The Parties agree that the development of electronic commerce must be fully compatible with the international standards of data protection, in order to ensure the confidence of users of electronic commerce.
3. The Parties agree not to impose customs duties on deliveries by electronic means³⁸.

ARTICLE 7.49

Cooperation on Regulatory Issues

1. The Parties shall maintain a dialogue on regulatory issues raised by electronic commerce, which will, inter alia, address the following issues:
 - (a) the recognition of certificates of electronic signatures issued to the public and the facilitation of cross-border certification services;
 - (b) the liability of intermediary service providers with respect to the transmission or storage of information;
 - (c) the treatment of unsolicited electronic commercial communications;
 - (d) the protection of consumers in the ambit of electronic commerce;
 - (e) the development of paperless trading; and
 - (f) any other issues relevant for the development of electronic commerce.

³⁸ The inclusion of the provisions on electronic commerce in this Chapter is made without prejudice to Korea's position on whether deliveries by electronic means should be categorised as trade in services or goods.

2. The dialogue can include exchange of information on the Parties' respective legislation on these issues as well as on the implementation of such legislation.

SECTION G

EXCEPTIONS

ARTICLE 7.50

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 establishment or cross-border supply of services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

- (a) necessary to protect public security or public morals or to maintain public order³⁹;
- (b) necessary to protect human, animal or plant life or health;
- (c) relating to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic investors or on the domestic supply or consumption of services;
- (d) necessary for the protection of national treasures of artistic, historic or archaeological value;
- (e) 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 deceptive and fraudulent practices or to deal with the effects of a default on contracts;
 - (ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
 - (iii) safety;

³⁹ The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

- (f) inconsistent with Articles 7.6 and 7.12, provided that the difference in treatment is aimed at ensuring the equitable or effective⁴⁰ imposition or collection of direct taxes in respect of economic activities, investors or service suppliers of the other Party.

⁴⁰ Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

- (a) apply to non-resident investors and service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory;
- (b) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory;
- (c) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures;
- (d) apply to consumers of services supplied in or from the territory of the other Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory;
- (e) distinguish investors and service suppliers subject to tax on worldwide taxable items from other investors and service suppliers, in recognition of the difference in the nature of the tax base between them; or
- (f) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.

Tax terms or concepts in this paragraph and this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

ANNEX 7-A

LISTS OF COMMITMENTS

United Kingdom

1. List of commitments in conformity with Article 7.7 (Cross-Border Supply of Services)
2. List of commitments in conformity with Article 7.13 (Establishment)
3. List of reservations in conformity with Articles 7.18 (Key Personnel and Graduate Trainees) and 7.19 (Business Service Sellers)

Korea

4. Schedule of Specific Commitments in Conformity with Articles 7.7, 7.13, 7.18 and 7.19
 - A. Schedule of Specific Commitments in Service Sectors
 - B. Schedule of Specific Commitments in Establishment

ANNEX 7-A-1

UNITED KINGDOM

LIST OF COMMITMENTS IN CONFORMITY WITH ARTICLE 7.7 (CROSS-BORDER SUPPLY OF SERVICES)

1. The list of commitments below indicates the service sectors liberalised pursuant to Article 7.7 and, by means of reservations, the market access and national treatment limitations that apply to services and service suppliers of Korea in those sectors. The list below is composed of the following elements:

- (a) the first column indicating the sector or sub-sector in which the commitment is undertaken by the United Kingdom, and the scope of liberalisation to which the reservations apply; and
- (b) the second column describing the applicable reservations.

Cross-border supply of services in sectors or sub-sectors covered by this Agreement and not mentioned in the list below is not committed.

2. In identifying individual sectors and sub-sectors:

- (a) **CPC** means the Central Products Classification as referred to in footnote 27 to Article 7.25; and
- (b) **CPC ver. 1.0** means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No 77, *CPC ver 1.0*, 1998.

3. 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 market access or a national treatment limitation within the meaning of Articles 7.5 and 7.6. Those measures (e.g. need to obtain a licence, universal service obligations, need to obtain recognition of qualifications in regulated sectors and need to pass specific examinations, including language examinations), even if not listed, apply in any case to services and service suppliers of Korea.

4. The list below is without prejudice to the feasibility of the cross-border supply of service provided in Article 7.4.3(a)(i) in certain service sectors and sub-sectors and without prejudice to the existence of public monopolies and exclusive rights as described in the list of commitments on establishment.

5. In accordance with Article 7.1.3, the list below does not include measures concerning subsidies granted by a Party.

6. The rights and obligations arising from the list below shall have no self-executing effect and thus confer no rights directly to natural or juridical persons.

Sector or sub-sector	Description of reservations
1. BUSINESS SERVICES	
<u>A. Professional Services</u>	
a) Legal Services (CPC 861)¹ excluding legal advisory and legal documentations and certification services provided by legal professionals entrusted with public functions, such as notaries.	<p>For Modes 1 and 2</p> <p>None.</p>

¹ It includes legal advisory services, legal representational services, legal arbitration and conciliation/mediation services, and legal documentation and certification services. Provision of legal services is only authorised in respect of public international law, and the law of any jurisdiction where the service supplier or its personnel is qualified to practise as a lawyer, and, like the provision of other services, is subject to licensing requirements and procedures applicable in the relevant jurisdiction of the United Kingdom. For lawyers providing legal services in respect of public international law and foreign law, these licensing requirements and procedures may take, *inter alia*, the form of compliance with local codes of ethics, use of home title (unless recognition with a United Kingdom title has been obtained), insurance requirements, simple registration with the United Kingdom regulators or a simplified admission to practise in the United Kingdom through an aptitude test and a legal or professional domicile in the United Kingdom. Legal services in respect of the law of the United Kingdom or the relevant jurisdiction shall in principle be carried out by or through a fully qualified lawyer admitted to practise in that jurisdiction and acting personally. Full admission to practise in the relevant jurisdiction of the United Kingdom might therefore be necessary for representation before courts and other competent authorities in the United Kingdom since it involves practise of national procedural law.

Sector or sub-sector	Description of reservations
b) 1. Accounting and Bookkeeping Services (CPC 86212 other than auditing services, CPC 86213, CPC 86219 and CPC 86220)	For Modes 1 and 2 None.
b) 2. Auditing services (CPC 86211 and 86212 other than accounting services)	For Mode 1 Unbound. For Mode 2 None.
c) Taxation Advisory Services (CPC 863) ²	For Modes 1 and 2 None.
d) Architectural services and e) Urban planning and landscape architectural services (CPC 8671 and CPC 8674)	For Modes 1 and 2 None.

² Does not include legal advisory and legal representational services on tax matters, which are to be found under 1.A.a) Legal Services.

Sector or sub-sector	Description of reservations
f) Engineering services; and g) Integrated engineering services (CPC 8672 and CPC 8673)	For Modes 1 and 2 None.
h) Medical (including Psychologists), and Dental services (CPC 9312 and part of CPC 85201)	For Mode 1 Unbound. For Mode 2 None.
i) Veterinary services (CPC 932)	For Mode 1 Unbound except for veterinary laboratory and technical services supplied to veterinary surgeons, general advice, guidance and information (e.g. nutritional, behaviour and pet care) For Mode 2 None.
j) 1. Midwives services (part of CPC 93191)	For Mode 1 Unbound.

Sector or sub-sector	Description of reservations
j) 2. Services provided by Nurses, Physiotherapists and Para-medical Personnel (part of CPC 93191)	For Mode 2 None.
k) Retail sales of pharmaceuticals and retail sales of medical and orthopaedical goods (CPC 63211) and other services supplied by pharmacists ³	For Mode 1 Unbound. For Mode 2 None.
<u>B. Computer and Related Services</u> (CPC 84)	For Modes 1 and 2 None.
<u>C. Research and Development Services</u>	
R&D services on Social Sciences and Humanities (CPC 852 excluding psychologists services) ⁴	For Modes 1 and 2 None.
R&D services on natural sciences (CPC 851) Interdisciplinary R&D services (CPC 853)	For Modes 1 and 2 For publicly funded R&D services, exclusive rights and/or authorisations can only be granted to nationals of the United Kingdom and to juridical persons of the United Kingdom having their headquarters in the United Kingdom.
<u>D. Real Estate Services</u> ⁵	
a) Involving Own or Leased Property (CPC 821)	For Modes 1 and 2 None.

³ The supply of pharmaceuticals to the general public, like the provision of other services, is subject to licensing and qualification requirements and procedures applicable in the United Kingdom.

⁴ Part of CPC 85201, which is to be found under I.A.h) Medical and Dental services.

⁵ The service involved relates to the profession of real estate agent and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate.

Sector or sub-sector	Description of reservations
b) On a Fee or Contract Basis (CPC 822)	For Modes 1 and 2 None.
<u>E. Rental/Leasing Services without Operators</u>	
a) Relating to Ships (CPC 83103)	For Modes 1 and 2 None.
b) Relating to Aircraft (CPC 83104)	For Mode 1 None. For Mode 2 Aircraft used by United Kingdom air carriers have to be registered in the United Kingdom. Waivers can be granted for short term lease contracts or under exceptional circumstances.
c) Relating to Other Transport Equipment (CPC 83101, CPC 83102 and CPC 83105)	For Modes 1 and 2 None.

Sector or sub-sector	Description of reservations
d) Relating to Other Machinery and Equipment (CPC 83106, CPC 83107, CPC 83108 and CPC 83109)	For Modes 1 and 2 None.
f) Telecommunications equipment rental (CPC 7541)	For Modes 1 and 2 None.
<u>F. Other Business Services</u>	
a) Advertising (CPC 871)	For Modes 1 and 2 None.
b) Market Research and Opinion Polling (CPC 864)	For Modes 1 and 2 None.
c) Management Consulting Services (CPC 865)	For Modes 1 and 2 None.
d) Services Related to Management Consulting (CPC 866)	For Modes 1 and 2 None.
e) Technical Testing and Analysis Services (CPC 8676)	For Modes 1 and 2 None.

Sector or sub-sector	Description of reservations
f) Advisory and Consulting services incidental to Agriculture, Hunting and Forestry (part of CPC 881)	For Modes 1 and 2 None.
g) Advisory and Consulting Services Relating to Fishing (part of CPC 882)	For Modes 1 and 2 None.
h) Advisory and Consulting Services incidental to Manufacturing (part of CPC 884 and part of CPC 885)	For Modes 1 and 2 None.
i) Placement and Supply Services of Personnel	
i) 1. Executive search (CPC 87201)	For Modes 1 and 2 None.
i) 2. Placement Services (CPC 87202)	For Mode 1 Unbound. For Mode 2 None.

Sector or sub-sector	Description of reservations
i) 3. Supply Services of office support personnel (CPC 87203)	For Modes 1 and 2 None.
j) 1. Security Services (CPC 87302, CPC 87303, CPC 87304 and CPC 87305)	For Modes 1 and 2 None.
k) Related Scientific and Technical Consulting Services (CPC 8675)	For Mode 1 Unbound for exploration services. For Mode 2 None.
l) 1. Maintenance and repair of vessels (part of CPC 8868)	For Mode 1 For maritime transport vessels: Unbound. For internal waterways transport vessels: Unbound. For Mode 2 None.

Sector or sub-sector	Description of reservations
l) 2. Maintenance and Repair of Rail Transport Equipment (part of CPC 8868)	For Mode 1 Unbound. For Mode 2 None.
l) 3. Maintenance and Repair of motor vehicles, motorcycles, snowmobiles and road transport Equipment (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)	For Modes 1 and 2 None.
l) 4. Maintenance and Repair of Aircraft and parts thereof (part of CPC 8868)	For Mode 1 Unbound. For Mode 2 None.
l) 5. Maintenance and Repair services of metal products, of (non- office) machinery, of (non-transport and non-office) equipment and of personal and household goods⁶ (CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)	For Modes 1 and 2 None.
m) Building-Cleaning Services (CPC 874)	For Mode 1 Unbound. For Mode 2 None.
n) Photographic Services (CPC 875)	For Modes 1 and 2 None.

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

Sector or sub-sector	Description of reservations
o) Packaging Services (CPC 876)	For Modes 1 and 2 None.
p) Printing and Publishing (CPC 88442)	For Modes 1 and 2 None.
q) Convention Services (part of CPC 87909)	For Modes 1 and 2 None.
r) 1. Translation and Interpretation Services (CPC 87905)	For Modes 1 and 2 None
r) 2. Interior design and other specialty design services (CPC 87907)	For Modes 1 and 2 None
r) 3. Duplicating services (CPC 87904) ⁷	For Mode 1 Unbound. For Mode 2 None.

⁷ Does not include printing services, which fall under CPC 88442 and are to be found under 1.F. p).

Sector or sub-sector	Description of reservations
r) 4. Telecommunications consulting services (CPC 7544)	For Modes 1 and 2 None.
r) 5. Telephone answering services (CPC 87903)	For Modes 1 and 2 None.
2. COMMUNICATION SERVICES	
<u>A. Postal and Courier Services</u> (Services relating to the handling ⁸ of postal items ⁹ according to the following list of sub-sectors, whether for domestic or foreign destinations: (i) Handling of addressed written communications on any kind of physical medium ¹⁰ , including Hybrid mail service and Direct mail, (ii) Handling of addressed parcels and packages ¹¹ , (iii) Handling of addressed press products ¹² , (iv) Handling of items referred to in (i) to (iii) above as registered or insured mail, (v) Express delivery services ¹³ for items referred to in (i) to (iii) above, (vi) Handling of non-addressed items, and (vii) Document exchange ¹⁴ Sub-sectors (i), (iv) and (v) are however excluded when they fall into the scope of the services which may be reserved for items of correspondence the price of which is less than five times the public basic tariff, provided that they weigh less than 350 grams ¹⁵ , and for the registered mail service used in the course of judicial or administrative procedures.) (part of CPC 751, part of CPC 71235 ¹⁶ and part of CPC 73210 ¹⁷)	For Modes 1 and 2 None.

⁸ 'Handling' refers to activities such as clearance, sorting, transport and delivery.

⁹ 'Postal item' refers to items handled by any type of commercial operator, whether public or private.

¹⁰ E.g. letters, postcards.

¹¹ Books and catalogues are included hereunder.

¹² Journals, newspapers, and periodicals.

¹³ Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, and confirmation of receipt.

¹⁴ Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. 'Postal item' refers to items handled by any type of commercial operator, whether public or private.

¹⁵ 'Items of correspondence' means a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals are not regarded as items of correspondence.

¹⁶ Transportation of postal and courier items on own account by any land mode.

¹⁷ Transportation of mail on own account by air.

Sector or sub-sector	Description of reservations
<p><u>B. Telecommunications Services</u></p> <p>These services do not cover the economic activity consisting of the provision of content which requires telecommunications services for its transport.</p>	
<p>a) All services consisting of the transmission and reception of signals by any electromagnetic means¹⁸, excluding broadcasting¹⁹</p>	<p>For Modes 1 and 2</p> <p>None.</p>
<p>b) Satellite broadcast transmission services²⁰</p>	<p>For Modes 1 and 2</p> <p>None except that service providers in this sector may be subject to obligations to safeguard general interest objectives related to the conveyance of content through their network in line with the United Kingdom regulatory framework for electronic communications.</p>
<p>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, CPC 512, CPC 513, CPC 514, CPC 515, CPC 516, CPC 517 and CPC 518)</p>	<p>For Modes 1 and 2</p> <p>None.</p>
<p>4. DISTRIBUTION SERVICES</p> <p>(excluding distribution of arms, munitions, explosives and other war material)</p> <p><u>A. Commission Agents' Services</u></p> <p>a) Commission Agents' Services of motor vehicles, motor- cycles and snowmobiles and parts and accessories thereof</p> <p>(part of CPC 61111, part of CPC 6113 and part of CPC 6121)</p> <p>b) Other Commission Agents' Services (CPC 621)</p>	<p>For Modes 1 and 2</p> <p>Unbound for distribution of chemical products, and of precious metals (and stones).</p> <p>For Mode 1</p>

¹⁸ These services do not include on-line information and/or data processing (including transaction processing) (part of CPC 843) which is to be found under 1.B. Computer and Related services.

¹⁹ Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio programme signals to the general public, but does not cover contribution links between operators.

²⁰ These services cover the telecommunications services consisting of the transmission and reception of radio and television broadcast by satellite (the uninterrupted chain of transmission via satellite required for the distribution of TV and radio programme signals to the general public). This covers selling use of satellite services, but does not include the selling of television programme packages to households. These services do not include domestic links (the transmission of those signals from the domestic territory to the domestic territory by satellite).

Sector or sub-sector	Description of reservations
<p><u>B. Wholesale Trade Services</u></p> <p>a) Wholesale Trade Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof</p> <p>(part of CPC 61111, part of CPC 6113 and part of CPC 6121)</p> <p>b) Wholesale Trade Services of telecommunication terminal equipment</p> <p>(part of CPC 7542)</p> <p>c) Other wholesale trade services</p> <p>(CPC 622 excluding wholesale trade services of energy products²¹)</p> <p><u>C. Retailing Services</u>²²</p> <p>Retailing Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof</p> <p>(CPC 61112, part of CPC 6113 and part of CPC 6121)</p> <p>Retailing Services of telecommunication terminal equipment (part of CPC 7542)</p> <p>Food retailing services (CPC 631)</p> <p>Retailing services of other (non-energy) goods, except retail sales of pharmaceutical, medical and orthopaedic goods²³</p> <p>(CPC 632 excluding CPC 63211 and 63297)</p> <p><u>D. Franchising</u></p> <p>(CPC 8929)</p>	<p>For retailing services, unbound except for mail order.</p>

²¹ These services, which include CPC 62271, are to be found in ENERGY SERVICES under 14.D.

²² Does not include maintenance and repair services, which are to be found in BUSINESS SERVICES under 1.B. and 1.F.I). Does not include retailing services of energy products which are to be found in ENERGY SERVICES under 14.E. and 14.F.

²³ Retail sales of pharmaceutical, medical and orthopaedic goods are to be found under PROFESSIONAL SERVICES in 1.A.k).

Sector or sub-sector	Description of reservations
5. EDUCATIONAL SERVICES (only privately-funded services)	
<u>A. Primary Education Services</u> (CPC 921)	For Modes 1 and 2 None.
<u>B. Secondary Education Services</u> (CPC 922)	For Modes 1 and 2 None.
<u>C. Higher Education Services</u> (CPC 923)	For Modes 1 and 2 None.
<u>D. Adult Education Services</u> (CPC 924)	For Modes 1 and 2 None.

Sector or sub-sector	Description of reservations
<p>6. ENVIRONMENTAL SERVICES</p> <p><u>A. Waste Water</u></p> <p><u>Services</u> (CPC 9401)²⁴</p> <p><u>B. Solid/hazardous waste management, excluding cross-border transport of hazardous waste</u></p> <p>a) Refuse Disposal Services (CPC 9402)</p> <p>b) Sanitation and Similar Services (CPC 9403)</p> <p><u>C. Protection of ambient air and climate</u> (CPC 9404)²⁵</p> <p><u>D. Remediation and clean-up of soil and waters</u></p> <p>a) Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)²⁶</p> <p><u>E. Noise and vibration</u> <u>abatement</u> (CPC 9405)</p> <p><u>F. Protection of biodiversity and landscape</u></p> <p>a) Nature and landscape protection services (part of CPC 9406)</p> <p><u>G. Other environmental and ancillary services</u> (CPC 94090)</p>	<p>For Mode 1</p> <p>Unbound except for consulting services.</p> <p>For Mode 2</p> <p>None.</p>

²⁴ Corresponds to sewage services.

²⁵ Corresponds to cleaning services of exhaust gases.

²⁶ Corresponds to parts of nature and landscape protection services.

7. FINANCIAL SERVICES	
<u>A. Insurance and insurance-related services</u>	<p>For Modes 1 and 2</p> <p>Unbound for direct insurance services except for insurance of risks relating to:</p> <ul style="list-style-type: none"> (a) Maritime shipping, 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 (b) goods in international transit. <p>For Mode 1</p> <p>Unbound for direct insuranceintermediationservicesexcept for insurance of risks relating to:</p> <ul style="list-style-type: none"> (a) Maritime shipping, 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 (b) goods in international transit. <p>For Mode 2</p> <p>Unbound for intermediation</p>

Sector or sub-sector	Description of reservations
<p><u>B. Banking and other financial services (excluding insurance)</u> All sub-sectors indicated below</p>	<p>For Mode 1</p> <p>Unbound except for provision of financial information and financial data processing and for advisory and other auxiliary services excluding intermediation.</p> <p>For Mode 2</p> <p>None.</p>

Sector or sub-sector	Description of reservations
8. HEALTH SERVICES AND SOCIAL SERVICES (only privately-funded services)	
<u>A. Hospital Services</u> (CPC 9311)	For Mode 1 Unbound.
<u>C. Residential health facilities other than hospital services</u> (CPC 93193)	For Mode 2 None.
<u>D. Social Services</u> (CPC 933)	For Mode 1 Unbound. For Mode 2 None.

Sector or sub-sector	Description of reservations
9. TOURISM AND TRAVEL RELATED SERVICES	
<u>A. Hotel, Restaurants and Catering</u> (CPC 641, CPC 642 and CPC 643) excluding catering in air transport services²⁷	For Mode 1 Unbound except for catering. For Mode 2 None.
<u>B. Travel Agencies and Tour Operators Services</u> (including tour managers) (CPC 7471)	For Modes 1 and 2 None.
<u>C. Tourist Guides Services</u> (CPC 7472)	For Modes 1 and 2 None.
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio-visual services)	
A. Entertainment Services (including Theatre, Live Bands, Circus and Discotheque Services) (CPC 9619)	For Mode 1 Unbound. For Mode 2 None.

²⁷ Catering in air transport services is to be found in SERVICES AUXILIARY TO TRANSPORT under 12.E.a) Ground-handling services.

Sector or sub-sector	Description of reservations
<u>B. News and Press Agencies Services</u> (CPC 962)	For Modes 1 and 2 None.
<u>D. Sporting services</u> (CPC 9641)	For Modes 1 and 2 None.
<u>E. Recreation park and beach Services</u> (CPC 96491)	For Modes 1 and 2 None.
11. TRANSPORT SERVICES	
<u>A. Maritime Transport</u> a) International passengertransportation (CPC 7211 less national cabotage transport ²⁸). b) International freight transportation (CPC 7212 less national cabotage transport ²⁹)	For Modes 1 and 2 None.

²⁸ 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.

²⁹ 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

Sector or sub-sector	Description of reservations
<u>B. Internal Waterways Transport</u> a) Passenger transportation (CPC 7221 less national cabotage transport ³⁰) b) Freight transportation (CPC 7222 less national cabotage transport ³¹)	For Modes 1 and 2 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.
<u>C. Rail Transport</u> a) Passenger transportation (CPC 7111) b) Freight transportation (CPC 7112)	For Mode 1 Unbound. For Mode 2 None.
<u>D. Road Transport</u> a) Passenger Transportation (CPC 7121 and CPC 7122) b) Freight Transportation (CPC 7123, excluding transportation of postal and courier items on own account ³²)	For Mode 1 Unbound. For Mode 2 None.

³⁰ 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.

³¹ 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.

³² Part of CPC 71235, which is to be found in COMMUNICATION SERVICES under 2.A. Postal and Courier Services.

Sector or sub-sector	Description of reservations
12. SERVICES AUXILIARY TO TRANSPORT ³³	
<u>A. Services auxiliary to Maritime Transport</u>	For Mode 1:
a) Maritime Cargo Handling Services	Unbound * for maritime cargo handling services and pushing and towing services.
b) Storage and warehousing	For Mode 2:
Services (part of CPC 742)	None.
c) Customs Clearance Services	
d) Container Station and Depot Services	
e) Maritime Agency Services	
f) Maritime freight forwarding Services	
g) Rental of Vessels with	
Crew (CPC 7213)	
h) Pushing and towing	
services (CPC 7214)	
i) Supporting services for maritime	
transport (part of CPC 745)	
j) Other supporting and auxiliary	
services (part of CPC 749)	

³³ Does not include maintenance and repair services of transport equipment, which are to be found in BUSINESS SERVICES under 1.F.I) 1 to 1.F.I) 4.

*Unbound due to lack of technical feasibility.

Sector or sub-sector	Description of reservations
<p><u>B. Services auxiliary to internal waterways transport</u></p> <p>a) Cargo-handling services (part of CPC 741)</p> <p>b) Storage and warehouseservices (part of CPC 742)</p> <p>c) Freight transport agency services (part of CPC 748)</p> <p>d) Rental of Vessels with Crew (CPC 7223)</p> <p>e) Pushing and towing services (CPC 7224)</p> <p>f) Supporting services for internal waterways transport (part of CPC 745)</p> <p>g) Other supporting and auxiliary services (part of CPC 749)</p>	<p>For Modes 1 and 2</p> <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.</p> <p>Unbound for pushing and towing services.</p>
<p><u>C. Services auxiliary to rail transport</u></p> <p>a) Cargo-handling services (part of CPC 741)</p> <p>b) Storage and warehouse services (part of CPC 742)</p> <p>c) Freight transport agency services (part of CPC 748)</p>	<p>For Mode 1</p> <p>Unbound for pushing and towing services.</p> <p>For Mode 2</p> <p>None.</p>

Sector or sub-sector	Description of reservations
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)	
<u>D. Services auxiliary to road transport</u> a) Cargo-handling services (part of CPC 741) b) Storage and warehouse services (part of CPC 742) c) Freight transport agency services (part of CPC 748) d) Rental of Commercial Road Vehicles with Operators (CPC 7124) e) Supporting services for road transport (CPC 744) f) Other supporting and auxiliary services (part of CPC 749)	For Modes 1 and 2 None.
<u>E. Services auxiliary to air transport services</u>	
a) Ground-handling services (including catering services)	For Mode 1 Unbound except for catering. For Mode 2 None.

Sector or sub-sector	Description of reservations
b) Storage and warehouse services (part of CPC 742)	For Modes 1 and 2 None.
c) Freight transport agency services (part of CPC 748)	For Modes 1 and 2 None.
d) Rental of aircraft with crew (CPC 734)	For Modes 1 and 2 Aircraft used by United Kingdom air carriers have to be registered in the United Kingdom. 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 Korea may be leased by a Korean air carrier to an air carrier of the United Kingdom in specific circumstances for the air carrier of the United Kingdom's exceptional needs, seasonal capacity needs, or needs to overcome operational difficulties, which cannot reasonably be satisfied through leasing aircraft registered within the United Kingdom, and subject to obtaining the approval of a limited duration from the United Kingdom.
e) Sales and Marketing f) Computer Reservations System	For Modes 1 and 2 Where air carriers of the United Kingdom are not accorded equivalent treatment ³⁴ 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.
<u>E. Services auxiliary to pipeline transport of goods other than</u>	For Mode 1: Unbound. For Mode 2 None.

³⁴ "Equivalent treatment" implies non-discriminatory treatment of air carriers of the United Kingdom and CRS services suppliers of the United Kingdom.

fuel³⁵

**a) Storage and warehouse services of goods other than fuel
transported by pipelines**

(part of CPC 742)

³⁵ Services auxiliary to pipeline transportation of fuels are to be found in ENERGY SERVICES under 14.C.

Sector or sub-sector	Description of reservations
13. OTHER TRANSPORT SERVICES	
Provision of Combined Transport Service	For Modes 1 and 2 None, without prejudice to the limitations inscribed in this List of Commitments affecting any given mode of transport.
14. ENERGY SERVICES	
<u>A. Services Incidental to Mining</u> (CPC 883) ³⁶	For Modes 1 and 2 None.
<u>C. Storage and warehouse services of fuels transported through pipelines</u> (part of CPC 742)	For Mode 1: Unbound. For Mode 2 None.
<u>D. Wholesale trade services of solid, liquid and gaseous fuels and related products</u> (CPC 62271) and wholesale trade services of electricity, steam and hot water	For Mode 1: Unbound for wholesale trade services of electricity, steam and hot water. For Mode 2 None.
<u>E. Retailing Services of motor fuel</u> (CPC 613)	For Mode 1: Unbound. For Mode 2 None.

³⁶ 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 3. CONSTRUCTION AND RELATED ENGINEERING SERVICES.

Sector or sub-sector	Description of reservations
<u>F. Retail sales of fuel oil, bottled gas, coal and wood</u> (CPC 63297) and retailing services of electricity, (non-bottled) gas, steam and hot water	For Mode 1: Unbound for retailing services of electricity, (non-bottled) gas, steam and hot water. For Retail sales of fuel oil, bottled gas, coal and wood, unbound except for mail order (none for mail order). For Mode 2 None.
<u>G. Services incidental to energy distribution</u> (CPC 887)	For Mode 1: Unbound except for consultancy services (none for consultancy services). For Mode 2 None.
15. OTHER SERVICES NOT INCLUDED ELSEWHERE	
a) Washing, Cleaning and Dyeing services (CPC 9701)	For Mode 1: Unbound. For Mode 2 None.
b) Hairdressing services (CPC 97021)	For Mode 1: Unbound. For Mode 2 None.
c) Cosmetic treatment, manicuring and pedicuring services (CPC 97022)	For Mode 1: Unbound. For Mode 2 None.

Sector or sub-sector	Description of reservations
d) Other beauty treatment services n.e.c (CPC 97029)	For Mode 1: Unbound. For Mode 2 None.
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 purposes³⁷ (CPC ver. 1.0 97230)	For Mode 1: Unbound. For Mode 2 None.
g) Telecommunications connection services (CPC 7543)	For Modes 1 and 2 None.

³⁷ Therapeutical massages and thermal cure services are to be found under 1.A.h) Medical and Dental services, 1.A.j) 2. Services provided by Nurses, Physiotherapists and Paramedical Personnel, and Health Services (8.A and 8.C).

ANNEX 7-A-2

UNITED KINGDOM

**LIST OF COMMITMENTS IN CONFORMITY WITH ARTICLE 7.13
(ESTABLISHMENT)**

1. The list of commitments below 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 Korea in those activities. The list below is composed of the following elements:

(a) the first column indicating the sector or sub-sector in which the commitment is undertaken by the United Kingdom, and the scope of liberalisation to which the reservations apply; and

(b) the second column describing the applicable reservations.

Establishment in sectors or sub-sectors covered by this Agreement and not mentioned in the list below is not committed.

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. 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 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 licence, universal service obligations, need to obtain recognition of qualifications in regulated sectors, need to pass specific examinations, including language examinations, and non-discriminatory requirement that certain activities may not be carried out in environmental protected zones or areas of particular historic and artistic interest), even if not listed, apply in any case to establishments and investors of Korea.

4. In accordance with Article 7.1.3, the list below does not include measures concerning subsidies granted by a Party.

5. Notwithstanding Article 7.11, non-discriminatory requirements as regards the type of legal form of an establishment do not need to be specified in the below list of commitments on establishment in order to be maintained or adopted by the United Kingdom.

6. 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
ALL SECTORS	<p>Public utilities</p> <p>Economic activities considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators^{1,2}.</p>
ALL SECTORS	<p>Types of establishment</p> <p>Treatment accorded to subsidiaries (of Korean companies) formed in accordance with United Kingdom law and having their registered office, central administration or principal place of business within the United Kingdom is not extended to branches or agencies established in the United Kingdom by Korean companies.</p>

¹ Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific listing is not practical. To facilitate comprehension, specific footnotes in this list of commitments will indicate in an illustrative and non-exhaustive way those sectors where public utilities play a major role.

² This limitation does not apply to telecommunications services and to computer and related services.

Sector or sub-sector	Description of reservations
1. AGRICULTURE, HUNTING, FORESTRY	
<u>A. Agriculture, hunting</u> (ISIC rev 3.1: 011, 012, 013, 014, 015) excluding advisory and consultancy services ³	None.
<u>B. Forestry and logging</u> (ISIC rev 3.1: 020) services excluding advisory and consultancy services ⁴	None.
3. MINING AND QUARRYING ⁵ <u>A. Mining of coal and lignite; extraction of peat</u> (ISIC rev 3.1: 10) <u>B. Extraction of crude petroleum and natural gas</u> ⁶ (ISIC rev 3.1: 1110) <u>C. Mining of metal ores</u> (ISIC rev 3.1: 13) <u>D. Other mining and quarrying</u> (ISIC rev 3.1: 14)	Unbound for juridical persons controlled ⁷ by natural or juridical persons of another country which accounts for more than 5 % of the United Kingdom's oil or natural gas imports . Unbound for direct branching (incorporation is required). Unbound for extraction of crude petroleum and natural gas.
4. MANUFACTURING ⁸	
<u>A. Manufacture of food products and beverages</u> (ISIC rev 3.1: 15)	None.

³ Advisory and consultancy services related to agriculture, hunting, forestry and fishing are to be found in BUSINESS SERVICES under 6.F.f) and 6.F.g).

⁴ Advisory and consultancy services related to agriculture, hunting, forestry and fishing are to be found in BUSINESS SERVICES under 6.F.f) and 6.F.g).

⁵ The horizontal limitation on public utilities applies.

⁶ Does not include services incidental to mining rendered on a fee or contract basis at oil and gas fields which are to be found in ENERGY SERVICES under 19.A.

⁷ A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 percent of the equity interests in a juridical person shall be deemed to constitute control.

⁸ This sector does not include advisory services incidental to manufacturing, which are to be found in BUSINESS SERVICES under 6.F.h).

Sector or sub-sector	Description of reservations
<u>B. Manufacture of tobacco products</u> (ISIC rev 3.1: 16)	None.
<u>C. Manufacture of textiles</u> (ISIC rev 3.1: 17)	None.
<u>D. Manufacture of wearing apparel; dressing and dyeing of fur</u> (ISIC rev 3.1: 18)	None.
<u>E. Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear</u> (ISIC rev 3.1: 19)	None.
<u>F. 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.
<u>G. Manufacture of paper and paper products</u> (ISIC rev 3.1: 21)	None.
<u>H. Publishing, printing and reproduction of recorded media</u> ⁹ (ISIC rev 3.1: 22, excluding publishing and printing on a fee or contract basis ¹⁰)	None.
<u>I. Manufacture of coke oven products</u> (ISIC rev 3.1: 231)	None.

⁹ The sector is limited to manufacturing activities. It does not include activities which are audiovisual-related or present a cultural content.

¹⁰ Publishing and printing on a fee or contract basis is to be found in BUSINESS SERVICES under 6.F.p).

Sector or sub-sector	Description of reservations
<u>J. Manufacture of refined petroleum products</u> ¹¹ (²⁰) (ISIC rev 3.1: 232)	Unbound for juridical persons controlled ¹² by natural or juridical persons of another country which accounts for more than 5 % of the United Kingdom's oil or natural gas imports . Unbound for direct branching (incorporation is required).
<u>K. Manufacture of chemicals and chemical products other than explosives</u> (ISIC rev 3.1: 24 excluding manufacturing of explosives)	None.
<u>L. Manufacture of rubber and plastics products</u> (ISIC rev 3.1: 25)	None.
<u>M. Manufacture of other non-metallic mineral products</u> (ISIC rev 3.1: 26)	None.

¹¹ The horizontal limitation on public utilities applies.

¹² A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 percent of the equity interests in a juridical person shall be deemed to constitute control.

Sector or sub-sector	Description of reservations
<u>N. Manufacture of basic metals</u> (ISIC rev 3.1: 27)	None.
<u>O. Manufacture of fabricated metal products, except machinery and equipment</u> (ISIC rev 3.1: 28)	None.
<u>P. Manufacture of machinery</u>	
a) Manufacture of general purpose machinery (ISIC rev 3.1: 291)	None.
b) Manufacture of special purpose machinery other than weapons and munitions (ISIC rev 3.1: 2921, 2922, 2923, 2924, 2925, 2926, 2929)	None.
c) Manufacture of domestic appliances n.e.c. (ISIC rev 3.1: 293)	None.
d) Manufacture of office, accounting and computing machinery (ISIC rev 3.1: 30)	None.
e) Manufacture of electrical machinery and apparatus n.e.c. (ISIC rev 3.1: 31)	None.
f) Manufacture of radio, television and communication equipment and apparatus (ISIC rev 3.1: 32)	None.

Sector or sub-sector	Description of reservations
<u>Q. Manufacture of medical, precision and optical instruments, watches and clocks</u> (ISIC rev 3.1: 33)	None.
<u>R. Manufacture of motor vehicles, trailers and semi-trailers</u> (ISIC rev 3.1: 34)	None.
<u>S. 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.
<u>T. Manufacture of furniture; manufacturing n.e.c.</u> (ISIC rev 3.1: 361, 369)	None.
<u>U. Recycling</u> (ISIC rev 3.1: 37)	None.
5. PRODUCTION; TRANSMISSION AND DISTRIBUTION ON OWN ACCOUNT OF ELECTRICITY, GAS, STEAM AND HOT WATER ¹³ (EXCLUDING NUCLEAR BASED ELECTRICITY GENERATION)	
<u>A. Production of electricity; transmission and distribution of electricity on own account</u> (part of ISIC rev 3.1: 4010) ¹⁴	Unbound.
<u>B. Manufacture of gas; distribution of gaseous fuels through mains on own account</u> (part of ISIC rev 3.1: 4020) ¹⁵	Unbound.

¹³ The horizontal limitation on public utilities applies.

¹⁴ Does not include operation of electricity transmission and distribution systems on a fee or contract basis, which are to be found in ENERGY SERVICES.

¹⁵ Does not include transportation of natural gas and gaseous fuels via pipelines, transmission and distribution of gas on a fee or contract basis, and sales of natural gas and gaseous fuels, which are to be found in ENERGY SERVICES.

Sector or sub-sector	Description of reservations
<u>C. Production of steam and hot water; distribution of steam and hot water on own account</u> (part of ISIC rev 3.1: 4030) ¹⁶	Unbound for juridical persons controlled ¹⁷ by natural or juridical persons of another country which accounts for more than 5 % of the United Kingdom's oil or natural gas imports . Unbound for direct branching (incorporation is required).
6. BUSINESS SERVICES	
<u>A. Professional Services</u>	
a) Legal Services (CPC 861) ¹⁸ excluding legal advisory and legal documentations and certification services provided by legal professionals entrusted with public functions, such as notaries.	None.
b) 1. Accounting and Bookkeeping Services (CPC 86212 other than 'auditing services', CPC 86213, CPC 86219 and CPC 86220)	None.
b) 2. Auditing services (CPC 86211 and 86212 other than accounting services)	None.

¹⁶ Does not include transmission and distribution of steam and hot water on a fee or contract basis and sales of steam and hot water, which are to be found in ENERGY SERVICES.

¹⁷ A juridical person is controlled by other natural or juridical person(s) if the latter has/have the power to name a majority of its directors or otherwise legally direct its actions. In particular, ownership of more than 50 percent of the equity interests in a juridical person shall be deemed to constitute control.

¹⁸ Includes legal advisory services, legal representational services, legal arbitration and conciliation/mediation services, and legal documentation and certification services. Provision of legal services is only authorised in respect of public international law, and the law of any jurisdiction where the service supplier or its personnel is qualified to practise as a lawyer, and, like the provision of other services, is subject to licensing requirements and procedures applicable in the relevant jurisdiction of the United Kingdom. For lawyers providing legal services in respect of public international law and foreign law, these licensing requirements and procedures may take, *inter alia*, the form of compliance with local codes of ethics, use of home title (unless recognition with a United Kingdom title has been obtained), insurance requirements, simple registration with the United Kingdom regulators or a simplified admission to practise through an aptitude test and a legal or professional domicile in the United Kingdom. Legal services in respect of the law of the United Kingdom or the relevant jurisdiction shall in principle be carried out by or through a fully qualified lawyer admitted to practise in that jurisdiction and acting personally. Full admission to practise in the relevant jurisdiction of the United Kingdom might therefore be necessary for representation before courts and other competent authorities in the United Kingdom since it involves practise of national procedural law.

Sector or sub-sector	Description of reservations
c) Taxation Advisory Services (CPC 863) ¹⁹	None.
d) Architectural services and e) Urban planning and landscape architectural services (CPC 8671 and CPC 8674)	None.
f) Engineering services and g) Integrated engineering services (CPC 8672 and CPC 8673)	None.
h) Medical (including psychologists) and Dental services (CPC 9312 and part of CPC 85201)	Establishment for doctors under the National Health Service is subject to medical manpower planning.
i) Veterinary services (CPC 932)	None.
j) 1. Midwives services (part of CPC 93191)	None.

¹⁹ Does not include legal advisory and legal representational services on tax matters, which are to be found under 1.A.a) Legal Services.

Sector or sub-sector	Description of reservations
j) 2. Services provided by Nurses, Physiotherapists and Paramedical Personnel (part of CPC 93191)	None.
k) Retail sales of pharmaceuticals and retail sales of medical and orthopaedical goods (CPC 63211) and other services supplied by pharmacists²⁰	None.
<u>B. Computer and Related Services</u> (CPC 84)	None.
<u>C. Research and Development Services²¹</u>	
a) R&D services on natural sciences (CPC 851)	For publicly funded R&D services, exclusive rights and/or authorisations can only be granted to nationals of the United Kingdom and to juridical persons of the United Kingdom having their headquarters in the United Kingdom.
b) R&D services on Social Sciences and Humanities (CPC 852 excluding psychologists services) ²²	None.
c) Interdisciplinary R&D services (CPC 853)	For publicly funded R&D services, exclusive rights and/or authorisations can only be granted to nationals of the United Kingdom and to juridical persons of the United Kingdom having their headquarters in the United Kingdom.

²⁰ The supply of pharmaceuticals to the general public, like the provision of other services, is subject to licensing and qualification requirements and procedures applicable in the United Kingdom.

²¹ The horizontal limitation on public utilities applies.

²² Part of CPC 85201, which is to be found under 6.A.h. Medical and Dental services.

Sector or sub-sector	Description of reservations
D. Real Estate Services²³	
a) Involving Own or Leased Property (CPC 821)	None.
b) On a Fee or Contract Basis (CPC 822)	None.
<u>E. Rental/Leasing Services without Operators</u>	
a) Relating to Ships (CPC 83103)	Unbound for the establishment of a registered company for the purpose of operating with a fleet under the national flag of the United Kingdom.
b) Relating to Aircraft (CPC 83104)	Aircraft used by an air carrier of the United Kingdom have to be registered in the United Kingdom. The aircraft must be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific criteria regarding ownership of capital and control (including nationality of directors). Waivers can be granted for short term lease contracts or under exceptional circumstances.
c) Relating to Other Transport Equipment (CPC 83101, CPC 83102 and CPC 83105)	None.
d) Relating to Other Machinery and Equipment (CPC 83106, CPC 83107, CPC 83108 and CPC 83109)	None.
e) Relating to personal and household goods (CPC 832)	None.

²³ The service involved relates to the profession of real estate agent and does not affect any rights and/or restrictions on natural and juridical persons purchasing real estate.

Sector or sub-sector	Description of reservations
f) Telecommunications equipment rental (CPC 7541)	None.
F. Other Business Services	
a) Advertising (CPC 871)	None.
b) Market Research and Opinion Polling (CPC 864)	None.
c) Management Consulting Services (CPC 865)	None.
d) Services Related to Management Consulting (CPC 866)	None.
e) Technical Testing and Analysis Services²⁴ (CPC 8676)	None.
f) Advisory and Consulting services incidental to Agriculture, Hunting and Forestry (part of CPC 881)	None.
g) Advisory and Consulting Services Relating to Fishing (part of CPC 882)	None.

²⁴ The horizontal limitation on public utilities applies to technical testing and analysis services, which are compulsory for the granting of marketing authorisations or for utilisation authorisations (e.g. car inspection, food inspection).

Sector or sub-sector	Description of reservations
h) Advisory and Consulting Services incidental to Manufacturing (part of CPC 884 and part of CPC 885)	None.
i) Placement and Supply Services of Personnel	
i) 1. Executive search (CPC 87201)	None.
i) 2. Placement Services (CPC 87202)	None.
i) 3. Supply Services of office support personnel (CPC 87203)	None.
i) 4. Model agency Services (part of CPC 87209)	None.
i) 5. Supply services of domestic help personnel, other commercial or industrial workers, nursing and other personnel (CPCs 87204, 87205, 87206, 87209)	None.
j) 1. Investigation Services (CPC 87301)	None.
j) 2. Security Services (CPC 87302, CPC 87303, CPC 87304 and CPC 87305)	None.
k) Related Scientific and Technical Consulting Services ²⁵ (CPC 8675)	None.

²⁵ The horizontal limitation on public utilities applies to certain activities related to mining (e.g. minerals, oil, and gas).

Sector or sub-sector	Description of reservations
l) 1. Maintenance and repair of vessels (part of CPC 8868)	None.
l) 2. Maintenance and Repair of Rail Transport Equipment (part of CPC 8868)	None.
l) 3. Maintenance and Repair of motor vehicles, motorcycles, snowmobiles and road transport Equipment (CPC 6112, CPC 6122, part of CPC 8867 and part of CPC 8868)	None.
l) 4. Maintenance and Repair of Aircraft and parts thereof (part of CPC 8868)	None.
l) 5. Maintenance and Repair services of metal products, of (non- office) machinery, of (non-transport and non-office) equipment and of personal and household goods²⁶ (CPC 633, CPC 7545, CPC 8861, CPC 8862, CPC 8864, CPC 8865 and CPC 8866)	None.
m) Building-Cleaning Services (CPC 874)	None.
n) Photographic Services (CPC 875)	None.

²⁶ 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. l) 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
o) Packaging Services (CPC 876)	None.
p) Printing and Publishing (CPC 88442)	None.
q) Convention Services (part of CPC 87909)	None.
r) 1. Translation and Interpretation Services (CPC 87905)	None.
r) 2. Interior Design and other Specialty Design Services (CPC 87907)	None.
r) 3. Collection Agency Services (CPC 87902)	None.
r) 4. Credit reporting services (CPC 87901)	None.
r) 5. Duplicating services (CPC 87904) ²⁷	None.

²⁷ 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
r) 6. Telecommunications consulting services (CPC 7544)	None.
r) 7. Telephone answering services (CPC 87903)	None.
7. COMMUNICATION SERVICES	
<u>A. Postal and Courier Services</u> (Services relating to the handling ²⁸ of postal items ²⁹ according to the following list of sub-sectors, whether for domestic or foreign destinations: (i) Handling of addressed written communications on any kind of physical medium ³⁰ , including Hybrid mail service and Directmail,	None.

²⁸ 'Handling' refers to activities such as clearance, sorting, transport and delivery.

²⁹ 'Postal item' refers to items handled by any type of commercial operator, whether public or private.

³⁰ E.g. letters, postcards.

<p>(ii) Handling of addressed parcels and packages³¹,</p> <p>(iii) Handling of addressed press products³²,</p> <p>(iv) Handling of items referred to in (i) to (iii) above as registered or insured mail,</p> <p>(v) Express delivery services³³ for items referred to in (i) to (iii) above,</p> <p>(vi) Handling of non-addressed items, and (vii) Document exchange³⁴.</p> <p>Sub-sectors (i), (iv) and (v) are however excluded when they fall into the scope of the services which may be reserved for items of correspondence the price of which is less than five times the public basic tariff, provided that they weigh less than 350 grams³⁵ (44), and for the registered mail service used in the course of judicial or administrative procedures.)</p> <p>(part of CPC 751, part of CPC 71235³⁶ and part of CPC 73210³⁷)</p>	
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³¹ Books and catalogues are included hereunder.

³² Journals, newspapers and periodicals.

³³ Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, and confirmation of receipt.

³⁴ Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. 'Postal item' refers to items handled by any type of commercial operator, whether public or private.

³⁵ 'Items of correspondence' means a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals are not regarded as items of correspondence.

³⁶ Transportation of postal and courier items on own account by any land mode.

³⁷ Transportation of mail on own account by air.

Sector or sub-sector	Description of reservations
<u>B. Telecommunications Services</u> These services do not cover the economic activity consisting of the provision of content which requires telecommunications services for its transport.	
a) All services consisting of the transmission and reception of signals by any electromagnetic means³⁸, excluding broadcasting³⁹	None.
b) Satellite broadcast transmission services⁴⁰	Service suppliers in this sector may be subject to obligations to safeguard general interest objectives related to the conveyance of content through their network in line with the United Kingdom regulatory framework for electronic communications.
8. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, CPC 512, CPC 513, CPC 514, CPC 515, CPC 516, CPC 517 and CPC 518)	None.
9. DISTRIBUTION SERVICES (excluding distribution of arms, munitions, explosives and other war material) All sub-sectors mentioned below ⁴¹	None.

³⁸ These services do not include on-line information and/or data processing (including transaction processing) (part of CPC 843) which is to be found under 6.B. Computer and Related Services.

³⁹ Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio programme signals to the general public, but does not cover contribution links between operators.

⁴⁰ These services cover the telecommunications services consisting of the transmission and reception of radio and television broadcast by satellite (the uninterrupted chain of transmission via satellite required for the distribution of TV and radio programme signals to the general public). This covers selling use of satellite services, but does not include the selling of television programme packages to households.

⁴¹ The horizontal limitation on public utilities applies to the distribution of chemical products, of pharmaceuticals, of products for medical use such as medical and surgical devices, medical substances and objects for medical use, of military equipment and precious metals (and stones) and also to the distribution of tobacco and tobacco products and of alcoholic beverages.

Sector or sub-sector	Description of reservations
<u>A. Commission Agents' Services</u>	
a) Commission Agents' Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof (part of CPC 61111, part of CPC 6113 and part of CPC 6121)	None.
b) Other Commission Agents' Services (CPC 621)	None.
<u>B. Wholesale Trade Services</u>	
a) Wholesale Trade Services of motor vehicles, motorcycles and snowmobiles and parts and accessories thereof (part of CPC 61111, part of CPC 6113 and part of CPC 6121)	None.
b) Wholesale Trade Services of telecommunication terminal equipment (part of CPC 7542)	None.
c) Other wholesale trade services (CPC 622 excluding wholesale trade services of energy products) ⁴²	None.

⁴² These services, which include CPC 62271, are to be found in ENERGY SERVICES under 19.D.

<p><u>C. Retailing Services</u>⁴³</p> <p>Retailing Services of motor vehicles, motorcycles and snow- mobiles and parts and accessories thereof</p> <p>(CPC 61112, part of CPC 6113 and part of CPC 6121)</p> <p>Retailing Services of telecommunication terminal equipment (part of CPC 7542)</p> <p>Food retailing services</p> <p>(CPC 631)</p> <p>Retailing services of other (non-energy) goods, except retail sales of pharmaceutical, medical and orthopaedic goods⁴⁴</p> <p>(CPC 632 excluding CPC 63211 and 63297)</p>	<p>None.</p>
<p><u>D. Franchising</u></p> <p>(CPC 8929)</p>	<p>None.</p>

⁴³ Does not include maintenance and repair services which are to be found in BUSINESS SERVICES under 6.B. and 6.F.I). Does not include retailing services of energy products which are to be found in ENERGY SERVICES under 19.E. and 19.F.

⁴⁴ Retail sales of pharmaceutical, medical and orthopaedic goods are to be found under PROFESSIONAL SERVICES in 6.A.k).

Sector or sub-sector	Description of reservations
10. EDUCATIONAL SERVICES (only privately funded services)	
<u>A. Primary Education Services</u> (CPC 921) <u>B. Secondary Education Services</u> (CPC 922) <u>C. Higher Education Services</u> (CPC 923)	Participation of private operators in the education network is subject to concession.
<u>D. Adult Education Services</u> (CPC 924)	None.
11. ENVIRONMENTAL SERVICES ⁴⁵	
<u>A. Waste Water Services</u> (CPC 9401) ⁴⁶	None.

⁴⁵ The horizontal limitation on public utilities applies.

⁴⁶ Corresponds to sewage services.

Sector or sub-sector	Description of reservations
<p><u>B. Solid/hazardous waste management, excluding cross-border transport of hazardous waste</u></p> <p>a) Refuse Disposal Services</p> <p>(CPC 9402)</p> <p>b) Sanitation and Similar Services</p> <p>(CPC 9403)</p> <p><u>C. Protection of ambient air and climate</u></p> <p>(CPC 9404)⁴⁷</p> <p><u>D. Remediation and clean up of soil and waters</u></p> <p>a) Treatment, remediation of contaminated/polluted soil and water</p> <p>(part of CPC 9406)⁴⁸</p> <p><u>E. Noise and vibration abatement</u></p> <p>(CPC 9405)</p> <p><u>F. Protection of biodiversity and landscape</u></p> <p>a) Nature and landscape protection services</p> <p>(part of CPC 9406)</p> <p><u>G. Other environmental and ancillary services</u></p> <p>(CPC 9409)</p>	
12. FINANCIAL SERVICES	

⁴⁷ Corresponds to cleaning services of exhaust gases.

⁴⁸ Corresponds to parts of nature and landscape protection services.

A. Insurance and insurance-related services

None.

Sector or sub-sector	Description of reservations
<u>B. Banking and other financial services (excluding insurance)</u>	<p>Only firms having their registered office in the United Kingdom can act as depositories of the assets of investment funds. The establishment of a specialised management company, having its head office and registered office in the United Kingdom, is required to perform the activities of management of unit trusts and investment companies.</p>

Sector or sub-sector	Description of reservations
13. HEALTH SERVICES AND SOCIAL SERVICES ⁴⁹ (only privately funded services)	
<u>A. Hospital Services</u> (CPC 9311)	Participation of private operators in the health and social network is subject to concession. An economic needs test may apply. Main criteria: number of and impact on existing establishments, transport infrastructure, population density, geographic spread, and creation of new employment.
<u>B. Ambulance Services</u> (CPC 93192) <u>C. Residential health facilities other than hospital services</u> (CPC 93193) <u>D. Social Services</u> (CPC 933)	Unbound for ambulance services, for residential health facilities other than hospital services, and for social services other than convalescent and rest houses and old people's homes.

⁴⁹ The horizontal limitation on public utilities applies.

Sector or sub-sector	Description of reservations
14. TOURISM AND TRAVEL RELATED SERVICES	
<u>A. Hotel, Restaurants and Catering</u> (CPC 641, CPC 642 and CPC 643) excluding catering in air transport services ⁵⁰	None.
<u>B. Travel Agencies and Tour Operators Services (including tour managers)</u> (CPC 7471)	None.
<u>C. Tourist Guides Services</u> (CPC 7472)	None.
15. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio-visual services)	
<u>A. Entertainment Services (including Theatre, Live Bands, Circus and Discotheque Services)</u> (CPC 9619)	None.

⁵⁰ Catering in air transport services is to be found in SERVICES AUXILARY TO TRANSPORT under 17.E.a) Ground-handling services.

Sector or sub-sector	Description of reservations
<u>B. News and Press Agencies Services</u> (CPC 962)	None.
<u>D. Sporting services</u> (CPC 9641)	None.
<u>E. Recreation park and beach Services</u> (CPC 96491)	None.
16. TRANSPORT SERVICES	
<u>A. Maritime Transport</u> ⁵¹	
a) International passenger transportation (CPC 7211 less national cabotage transport ⁵²). b) International freight transportation (CPC 7212 less national cabotage transport ⁵³)	Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.
<u>B. Internal Waterways Transport</u>	
a) Passenger transportation (CPC 7221 less national cabotage transport ⁵⁴) b) Freight transportation (CPC 7222 less national cabotage transport ⁵⁵)	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.

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

⁵² 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.

⁵³ 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.

⁵⁴ 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.

⁵⁵ 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
<u>C. Rail Transport</u> ⁵⁶ a) Passenger transportation (CPC 7111) b) Freight transportation (CPC 7112)	None.
<u>D. Road Transport</u> ⁵⁷ a) Passenger Transportation (CPC 7121 and CPC 7122)	<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>

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

⁵⁷ The horizontal limitation on public utilities applies.

Sector or sub-sector	Description of reservations
b) Freight Transportation⁵⁸ (CPC 7123, excluding transportation of postal and courier items on own account ⁵⁹).	None.
E. Pipeline transport of goods other than fuel^{60,61} (CPC 7139)	None.
17. SERVICES AUXILIARY TO TRANSPORT ⁶²	
<u>A. Services auxiliary to Maritime Transport⁶³</u> a) Maritime Cargo Handling Services b) Storage and warehousing Services (part of CPC 742) c) Customs Clearance Services d) Container Station and Depot Services e) Maritime Agency Services f) Maritime Freight Forwarding Services g) Rental of Vessels with Crew (CPC 7213) h) Pushing and towing services (CPC 7214) i) Supporting services for maritime transport (part of CPC 745) j) Other supporting and auxiliary services (including catering) (part of CPC 749)	Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of the United Kingdom.

⁵⁸ The horizontal limitation on public utilities applies.

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

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

⁶¹ The horizontal limitation on public utilities applies.

⁶² 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.

⁶³ 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><u>B. Services auxiliary to internal waterways transport</u>⁶⁴</p> <p>a) Cargo-handling services (part of CPC 741)</p> <p>b) Storage and warehouseservices (part of CPC 742)</p> <p>c) Freight transport agency services (part of CPC 748)</p> <p>d) Rental of Vessels with Crew (CPC 7223)</p> <p>e) Pushing and towing services (CPC 7224)</p> <p>f) Supporting services for internal waterways transport (part of CPC 745)</p> <p>g) Other supporting and auxiliary services (part of CPC 749)</p>	<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>

⁶⁴ 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 transport⁶⁵

None.

- a) **Cargo-handling services**
(part of CPC 741)
- b) **Storage and warehouse services**
(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)

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

Sector or sub-sector	Description of reservations
D. <u>Services auxiliary to road transport</u> ⁶⁶ 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) Rental of Commercial Road Vehicles with Operators (CPC 7124) e) Supporting services for road transport equipment (CPC 744) f) Other supporting and auxiliary services (part of CPC 749)	None.
<u>E. Services auxiliary to air transport services</u>	
a) Ground-handling services (including catering)	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.

⁶⁶ 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) Storage and warehouse services (part of CPC 742)	None.
c) Freight transport agency services (part of CPC 748)	None.
d) Rental of aircraft with crew (CPC 734)	Aircraft used by a United Kingdom air carrier have to be registered in the United Kingdom. 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.
e) Sales and Marketing f) Computer Reservations System	Where air carriers of the United Kingdom are not accorded equivalent treatment ⁶⁷ 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.
<u>E. Services auxiliary to pipeline transport of goods other than fuel</u> ⁶⁸ a) Storage and warehouse services of goods other than fuel transported by pipelines ⁶⁹ (part of CPC 742)	None.

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

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

⁶⁹ The horizontal limitation on public utilities applies.

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

⁷⁰ The horizontal limitation on public utilities applies.

⁷¹ 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.

⁷² The horizontal limitation on public utilities applies.

⁷³ The horizontal limitation on public utilities applies.

and hot water ⁷⁴	
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Sector or sub-sector	Description of reservations
<u>G. Services incidental to energy distribution</u> ⁷⁵ (CPC 887)	Unbound except for consultancy services, and none for consultancy services.
20. OTHER SERVICES NOT INCLUDED ELSEWHERE	
a) Washing, Cleaning and Dyeing services (CPC 9701)	None.
b) Hairdressing services (CPC 97021)	None.
c) Cosmetic treatment, manicuring and pedicuring services (CPC 97022)	None.
d) Other beauty treatment services n.e.c (CPC 97029)	None.
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 ^{76,77} (CPC ver. 1.0 97230)	None.

⁷⁴ The horizontal limitation on public utilities applies.

⁷⁵ Except for consulting services, the horizontal limitation on public utilities applies.

⁷⁶ Therapeutical massages and thermal cure services are to be found under 6.A.h) Medical and Dental services, 6.A.j) 2. Services provided by Nurses, Physiotherapists and Paramedical personnel, and Health Services (13.A and 13.C).

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

f) Telecommunications connection services (CPC 7543)	None.
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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
<u>E. Rental/Leasing Services without Operators</u>	
e) Relating to personal and household goods (CPC 832)	Nationality condition for specialists and for graduate trainees.
f) Telecommunications equipment rental (CPC 7541)	Nationality condition for specialists and for graduate trainees.
<u>F. Other Business Services</u>	
l) 3. Maintenance and Repair of motor vehicles, motorcycles, snowmobiles and road transport Equipment (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) 5. Maintenance and Repair services of metal products, of (non office) machinery, of (non transport and non office) equipment and of personal and household goods¹ (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.

¹ 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.l) 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
r) 5. Duplicating services (CPC 87904) ²	Nationality condition for specialists and for graduate trainees.

² 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	
<u>A. Maritime Transport</u>	
a) International passenger transportation (CPC 7211 less national cabotage transport).	Nationality condition for ships' crew.

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

Sector or sub-sector	Description of reservations
c) Cosmetic treatment, manicuring and pedicuring services (CPC 97022)	Nationality condition for specialists and for graduate trainees.
d) Other beauty treatment services n.e.c (CPC 97029)	Nationality condition for specialists and for graduate trainees.
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 purposes³ (CPC ver. 1.0 97230)	Nationality condition for specialists and for graduate trainees.

³ Therapeutical massages and thermal cure services are to be found under 6.A.h) 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.¹

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).

¹ 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
I. HORIZONTAL COMMITMENTS			
<p>"Unbound*" means unbound due to lack of technical feasibility.</p> <p>*** 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.</p>			
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.^{2, 3}</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.⁴</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>	

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

³ 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.

⁴ 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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
ALL SECTORS INCLUDED IN THIS SCHEDULE	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>(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"> - land used for supplying services during the course of normal business activities; - land used for housing senior company personnel under pertinent laws; or - land used for fulfilling land-holding requirements stipulated by pertinent laws. 	

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	
ALL SECTORS INCLUDED IN THIS SCHEDULE	4) ⁵ <u>Key Personnel and Business Services Sellers</u> Unbound except as per the commitment under the Section D “Temporary Presence of Natural Persons for Business Purpose.” <u>Graduate Trainees(GT)</u> Unbound for sectors or sub-sectors as below: 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 ⁶ : 011, 012, 013, 015.	4) The acquisition of land is unbound except that the lease hold right of land is permitted.		
II. SECTOR-SPECIFIC COMMITMENTS				
1. BUSINESS SERVICES				
A. <u>Professional Services</u>				

⁵ 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.”

⁶ “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, N° 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-yool-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)⁷, 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, 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>

⁷ 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 data-bbox="188 363 2049 453">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 data-bbox="188 485 2049 612">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 data-bbox="188 644 1827 676">3. A representative office can conduct profit-making activities provided that such presence in Korea maintains proper business plans and financial bases. <li data-bbox="188 708 2049 788">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 data-bbox="188 820 1144 852">5. A Foreign Legal Consultant is required to stay in Korea not less than 180 days a year. 			

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. Accounting, auditing and book-keeping services (CPC 862)	<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 <i>the 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 <i>the 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)⁸, 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>

⁸ 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) 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>

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. Taxation services (CPC 863)	<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 the <i>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)⁹, 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>	1)2)3) the same limitations as specified in (b) of MA column apply.	

⁹ 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)	1) Commercial presence ¹⁰ is required. 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)2)4) Supply of services by foreign architects through joint contracts with architects licensed under Korean law is allowed. 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: (i) Architectural Laws and Regulations; and (ii) Architectural Design.
e. Engineering services (CPC 8672)	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	
f. Integrated engineering services (CPC 8673)	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	
g. Urban planning and landscape Architectural services (CPC 8674)	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	

¹⁰ 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)	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. Software implementation services (CPC 842)	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	
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	
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)	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	
C. <u>Research and Development Services</u> a. Research and development services on natural sciences (CPC 851) b. Research and development services on social sciences and humanities (CPC 852)	1) None 2) None 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	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. 2) None 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	
c. Interdisciplinary research and development services (CPC 853)	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	

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			
Sector or Sub-sector		Limitations on Market Access				Limitations on National Treatment				Additional Commitments	
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					
F. Other Business Services											
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)	1) None	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
d. Project management and other management services (CPC 86601, 86609)	1) None	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
e. Composition and purity testing and analysis services (CPC 86761**)12	1) None	2) None	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.	4) Unbound except as indicated in the Horizontal Commitments section	
Testing and analysis services of physical properties (CPC 86762)	1) Commercial presence is required.	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
Technical inspection services (CPC 86764)	1) None	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	

¹² 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**) ¹³	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	
f. Consulting services related to agriculture and animal husbandry (CPC 8811**, 8812**)	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	
Poultry differentiation services (CPC 8812**)	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	
Services incidental to forestry excluding aerial fire fighting and disinfection (CPC 8814**)	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	
g. Consulting services related to fishing (CPC 882**)	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	

¹³ 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
h. Services incidental to mining (CPC 883)	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	
i. Services incidental to manufacturing : only consulting services related to manufacturing technologies of new products (CPC 884** and 885** excluding 88411, 88450, 88442, and 88493)	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	
k. Placement services of personnel (CPC 87201**, 87202**) excluding placement services for seafarers under the <i>Seafarers' Act</i>	1) None 2) None 3) Foreign service suppliers may supply services only in the form of a corporation under the <i>Commercial Act</i> . 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	
<p>Notes on placement services of personnel for transparency purposes:</p> <ol style="list-style-type: none"> The corporations shall follow the rules for service fees determined and announced by the Minister of Employment and Labor. 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. 			

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
l. Investigation and security services(CPC 873)	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	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section	
m. Related scientific and technical consulting services			
Geological, geophysical and other scientific prospecting services (CPC 86751)	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	
Subsurface surveying services(CPC 86752)			
Surface surveying services (CPC 86753**) excluding services related to cadastral survey	1) Commercial presence is required. 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
Map-making services (CPC 86754**) excluding services related to cadastral map	1) Commercial presence is required. 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	
n. Maintenance and repair of equipment (CPC 633, 8861, 8862, 8863, 8864, 8865, 8866)	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	
o. Building-cleaning services (CPC 874**, excluding 87409)	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	
p. Photographic services (CPC 875)	1) Unbound 2) Unbound 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	
q. Packaging services (CPC 876)	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
r. 1) Printing (CPC 88442**) ¹⁴	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	

¹⁴ 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	
2. COMMUNICATION SERVICES				
B. <u>Courier Service</u> Courier Services including express delivery services ¹⁵ (CPC 7512**) Excluding the services to collect, process, and deliver letters for which exclusive rights ¹⁶ are reserved for the Korean Postal Authority (KPA) under the <i>Postal Service Act</i> . ¹⁷ The exclusive rights of the KPA include the right of access to its postal network and operation thereof.	1) Provision of services is limited to air and sea transport modes. 2) None 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. 4) Unbound except as indicated in the Horizontal Commitments section	1) Provision of services is limited to air and sea transport modes. 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section		

¹⁵ "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.

¹⁶ 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.

¹⁷ 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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<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> <p>a. Voice telephone services</p> <p>b. Packet-switched data transmission services</p> <p>c. Circuit-switched data transmission services</p> <p>d. Telex services</p> <p>e. Telegraph services</p> <p>f. Facsimile services</p> <p>g. Private leased circuit services</p> <p>o. Other</p> <p>Digital cellular services</p> <p>Paging services</p> <p>PCS (personal communications services)</p> <p>TRS (trunked radio system) services</p> <p>Mobile data services</p> <p>IAS (Internet access services)</p> <p>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 facilities¹⁸ without commercial arrangements.</p> <p>2) None</p> <p>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.</p> <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 person¹⁹ holds in the aggregate more than 49 percent of the juridical person's total voting shares.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>	

¹⁸ 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).

¹⁹ "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 supplier²⁰ 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>	

²⁰ “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
<u>Value-added Services²¹:</u> h. Electronic mail i. Voice mail j. On-line information and data base retrieval k. Electronic data interchange l. Enhanced/value-added facsimile services including store and forward, store and retrieve m. Code and protocol conversion n. On-line information and/or data processing (including transaction processing) o. Other On-line data base and remote computing services ²²	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	Value-added service providers are allowed to supply data transmission services ²³ .

²¹ "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.

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

²³ 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 ²⁴			
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	

²⁴ 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
B. <u>Wholesale Trade Services</u> (CPC 61111, 622**, excluding grain in 62211, 62223, and red ginseng) ²⁵	<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>	

²⁵ 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
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>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. <u>Franchising</u> (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	

²⁶ 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 ²⁷			
<p>C. <u>Higher Education Services</u>²⁸ (CPC 923**)</p> <p>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 persons²⁹, 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 Area³⁰, 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 property³¹ 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>	

²⁷ 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.

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

²⁹ "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.

³⁰ "Seoul Metropolitan Area" means the Seoul Metropolitan City, the Incheon Metropolitan City, and the Gyeonggi Province.

³¹ "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>	<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>³² (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)³³ 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>	

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

³³ 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

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Collection and treatment services of non-industrial waste water (CPC 9401**)	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) Unbound 4) Unbound except as indicated in the Horizontal Commitments section. 	<ul style="list-style-type: none"> 1) None 2) None 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. <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> <ul style="list-style-type: none"> (a) apply exclusive rights; (b) choose freely management arrangements for the services; (c) choose the mode of attribution of the exclusive rights (open competition or not); and (d) change from one mode of management to another (for instance, to return to a public monopoly at the end of a concession contract). <ul style="list-style-type: 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
B. <u>Refuse Disposal Services</u>			
Industrial refuse disposal services (CPC 9402**) ³⁴	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)	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 testing and assessment services (CPC 9406**, 9409**) ³⁵	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	
Soil remediation and groundwater purification (CPC 9406**)	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	
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	

³⁴ 9402**: Only collection, transport, and disposal services of industrial refuse under CPC 9402.

³⁵ 9406**, 9409**: Only environmental impact assessment services under CPC 9406 and 9409.

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>7. FINANCIAL SERVICES</p> <p><i>Headnotes: All financial services are subject to the following provisions.</i></p> <ol style="list-style-type: none"> 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.³⁶ 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. 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. 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. 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. 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 Chapter³⁷: 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 Cooperatives³⁸. 			

³⁶ 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.

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

³⁸ 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
<p>7. Korea may grant</p> <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"> - The Korea Development Bank; - Industrial Bank of Korea; - Korea Housing Finance Corporation; - The National Agricultural Cooperative Federation; and - The National Federation of Fisheries Cooperatives. <p>(b) special treatment, including but not limited to the following:</p> <ul style="list-style-type: none"> - Guarantees of loans to or bonds issued by the GSIs; - Permission to issue more bonds per capital than similarly-situated non-GSIs; - Reimbursement of losses incurred by GSIs; - Exemption from certain taxes on capital, surplus, profit, or assets. <p>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.</p> <p>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.</p> <p>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.</p> <p>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> <ul style="list-style-type: none"> (a) any shareholding interests held by foreign persons at the time of the public offering shall be preserved; and (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. 			

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 ³⁹			
	<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>	

³⁹ “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 information⁴⁰; 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>	

⁴⁰ 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 foreign 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 institution⁴¹”</p>	

⁴¹ “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; (b) mutual savings banks; (c) specialized capital finance companies; (d) merchant banks; (e) foreign and won currency capital brokerage firms; (f) credit information companies; (g) general fund administration firms; (h) indirect investment vehicle appraisal companies; and (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</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) Unbound</p> <p>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"> (a) a foreign government; (b) a foreign person; (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 (d) an enterprise organised under Korean law in which a foreign person holds 25 percent or more equity interests. <p>The following persons may not obtain a radio station license:</p> <ul style="list-style-type: none"> (a) a foreign national; (b) a foreign government or its representative; or (c) an enterprise organised under foreign law. <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)	<ul style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	
11. 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
<p>A. <u>Maritime Transport Services</u></p> <p>International transport (CPC 7211, 7212)</p> <p>Excluding cabotage</p>	<p>1) (a) Liner shipping: None (b) Bulk, tramp, and other international shipping: None</p> <p>2) None</p> <p>3) (a) Establishment of a registered company for the purpose of operating a fleet under the national flag of Korea: (i) International maritime passenger transport: Unbound (ii) International maritime cargo transport: None (b) Other forms of commercial presence: None</p> <p>4) (a) Ship's crew: Unbound (b) Shore personnel: Unbound except as indicated in the Horizontal Commitments section</p>	<p>1) None</p> <p>2) None</p> <p>3) (a) None</p> <p>(b) None</p> <p>4) Unbound except as indicated in the Horizontal Commitments section</p>	<p>The following services at the port are made publicly available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions.</p> <ol style="list-style-type: none"> 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling and watering 4. Garbage collecting and ballast waste disposal 5. Port captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services
<p>Notes :</p> <p>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 services, which are assumed to cover transportation of passengers or goods between a port or point located in the entire Korean peninsula and(or) any adjacent Korean islands and another port or point located in the entire Korean peninsula and(or) any adjacent Korean islands, 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 entire Korean peninsula and any adjacent Korean islands.</p>			
<u>Maritime Auxiliary Services</u>			

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 cargo handling services	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	
Storage and warehouse services in ports (CPC 742**)	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	
Customs clearance service	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	
Maritime agency services	<ul style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	
Container station and depot services	<ul style="list-style-type: none"> 1) Unbound* 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments section 	<ul style="list-style-type: none"> 1) Unbound* 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
Maritime freight forwarding services (CPC 748**) ⁴²	1) None	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
Shipping brokerage services (CPC 748**, 749**) ⁴³	1) None	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
Maintenance and repair of vessels ⁴⁴ (CPC 8868)	1) Unbound*	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
Rental of vessels with crew (CPC 7213)	1) None	2) None	3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea	4) Unbound except as indicated in the Horizontal Commitments section	

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

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

⁴⁴ 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)	1) Unbound 2) None 3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea 4) Unbound except as indicated in the Horizontal Commitments section	1) Unbound 2) None 3) Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea 4) Unbound except as indicated in the Horizontal Commitments section			
Tally, measuring and survey services (CPC 745**)⁴⁵	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			
C. <u>Air Transport Services</u> ⁴⁶					
Computer reservation system (CRS) services	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			
Selling and marketing of air transport services	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			
Maintenance and repair of aircraft (part of CPC 8868)	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			

⁴⁵ Tally, measuring and survey services only apply to the maritime transport sector.

⁴⁶ 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) ⁴⁷	<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>	

⁴⁷ 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
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
Ground-handling services	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		
E. Rail Transport Services	1) Unbound*		1) Unbound*		
a. Passenger transportation (CPC 7111)	2) None		2) None		
b. Freight transportation (CPC 7112)	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.		3) Unbound		
	4) Unbound except as indicated in the Horizontal Commitments section		4) Unbound except as indicated in the Horizontal Commitments section		
c. Maintenance and repair of rail (part of CPC 8868) ⁴⁸	1) Unbound		1) Unbound		
	2) None		2) None		
	3) None		3) None		
d. Services auxiliary to rail transport services (part of CPC 741, CPC 7113) ⁴⁹	4) Unbound except as indicated in the Horizontal Commitments section		4) Unbound except as indicated in the Horizontal Commitments section		
F. Road Transport Services	1) Unbound		1) Unbound		
a. Transportation of containerized freight excluding cabotage (CPC 71233**)	2) None		2) None		
	3) Licenses are granted only to international shipping companies.		3) Cargoes are confined to containerized cargoes to be exported or imported.		
	4) Unbound except as indicated in the Horizontal Commitments section		4) Unbound except as indicated in the Horizontal Commitments section		

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

⁴⁹ 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
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
b. Rental of non-scheduled services of buses with operators (CPC 71223)	1) Unbound	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
c. Maintenance and repair of road equipment (part of CPC 8867, part of CPC 6112)	1) Unbound	2) None	3) Establishment of a commercial presence is subject to an economic needs test.	4) Unbound except as indicated in the Horizontal Commitments section	
G. Pipeline Transport (CPC 7131**)	1) Unbound	2) Unbound	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
Only the transportation of oil products, excluding the transportation of LPG ⁵⁰	1) Unbound	2) Unbound	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
H. Services Auxiliary to all Modes of Transport					
b. Storage and warehouse services other than those in ports (CPC 742**) Excluding services for agricultural, fishery and livestock products	1) Unbound*	2) None	3) None	4) Unbound except as indicated in the Horizontal Commitments section	
I. Other Transport Services					
COMBINED TRANSPORT SERVICES					

⁵⁰ 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 ⁵¹	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	

⁵¹ “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, electrics, 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 room⁵²: 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.

⁵² A place where people go to study.

B.

Schedule of Specific Commitments in Establishment¹

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.²

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

¹ 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.

² 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
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p style="text-align: center;"><u>Acquisition of Land</u></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> <ul style="list-style-type: none"> (1) is not deemed foreign under Article 2 of the <i>Foreigner's Land Acquisition Act</i>, and (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: <ul style="list-style-type: none"> (a) ordinary business activities; (b) housing for senior management; or (c) fulfilling land-holding requirements stipulated by pertinent laws. <p>Unbound for measures with respect to the acquisition of farmland by foreign persons.</p>	
	<p style="text-align: center;"><u>Investment</u></p> <p>Unbound for measures with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities.³⁴</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;"><u>Disadvantaged Groups</u></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.⁵</p>	

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

⁴ 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.

⁵ 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 align="center"><u>State-Owned National Electronic/Information System</u></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 align="center"><u>Firearms, Swords, Explosives, Etc.</u></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 align="center"><u>Atomic Energy</u></p> <p>Unbound for measures with respect to the atomic energy industry.</p>	
	<p align="center"><u>Electric Power Industry</u></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 align="center"><u>Gas Industry</u></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>Agriculture, hunting and 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>	Unbound for rice or barley farming.
(b) <u>Forestry and logging</u> (ISIC rev 3.1: 02)	None	None

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 ⁶ 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

⁶ “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 rev3.1: 22, excluding publishing and printing on a fee or contract basis) ⁷	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

⁷ 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
<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>b) Manufacture of gas; distribution of gaseous fuels through mains (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>c) Steam and hot water supply (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 establishment¹ 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.

¹ 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 ratchetclauses.
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	<p>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:</p> <ul style="list-style-type: none"> (a) fisheries; or (b) maritime matters, including salvage.
2. All Sectors	<p>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.</p>
<p>3. Auxiliary Air Transport Services</p> <ul style="list-style-type: none"> (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 	<p>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.</p>
4. Disadvantaged Groups	<p>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.</p>
5. Social Services	<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 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.</p>

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	<p>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.</p> <p>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.</p>
12. Social Services — Human Health Services	<p>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.</p> <p>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.</p>

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 Cabotage Transportation and Maritime	<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"> (a) a vessel owned by the Korean government, a state enterprise, or an institution established under the Ministry of Land, Infrastructure and Transport; (b) a vessel owned by a Korean national; (c) a vessel owned by an enterprise organised under the Korean Commercial Code; <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.¹

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 processing², 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.

¹ 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.

² 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 territory³.

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

³ 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 PLAN¹

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.”²

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

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

² 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 19th, 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 policy¹ in Korea or the United Kingdom,

¹ "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 necessary² may be taken by the Party concerned for a period not exceeding six months³.

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.

² 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.

³ 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 text¹ (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).

¹ 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 governments¹ 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.

¹ 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 signal¹.

¹ 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^{2,3}

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.

² "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.

³ 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 Wines⁴, Aromatised Wines⁵ and Spirits⁶

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:

⁴ 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.

⁵ 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.

⁶ 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 good⁷ 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.

⁷ 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 Protection⁸

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.

⁸ 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 modify⁹ the Annexes referred to in subparagraph (a) to remove individual geographical indications that cease to be protected in the Party of origin¹⁰ 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.

⁹ 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.

¹⁰ 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 character¹¹.

¹¹ 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 product¹². Such use shall at least cover presenting¹³, 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.

¹² 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*.

¹³ 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 considerations¹⁴.
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 form¹⁵.

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).

¹⁴ 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.

¹⁵ 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 products¹⁶ and plant protection products¹⁷ 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 years¹⁸.

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

¹⁷ 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.

¹⁸ 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 Pharmaceutical¹⁹ 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.

¹⁹ 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 rights²⁰ 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:

²⁰ 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 intermediary²¹ 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

²¹ 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 intermediaries²² 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.

²² 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 rights²³ 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.

²³ 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 Providers²⁴

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:

²⁴ 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 procedures²⁵ to enable a right holder, who has valid grounds for suspecting that the importation, exportation, re-exportation, customs transit, transshipment, placement under a free zone²⁶, placement under a suspensive procedure²⁷ or a bonded warehouse of goods infringing an intellectual property right²⁸ 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.

²⁵ 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.

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

²⁷ 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.

²⁸ 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 holder²⁹ 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

²⁹ 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 Latin alphabet into
괴산고춧가루 (Goesan Pepper Powder) Red	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
정선향기 (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 Latin alphabet	into
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	
울릉도부지깡이 (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 Gorosoe	baekunsan

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)

SPIRITS¹

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

¹ 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.

² 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 practices¹ 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.

¹ 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 Rights² 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

² 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 measure³ 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.

³ **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^{4,5}

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 Parties⁶:

- (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

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

⁵ 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.

⁶ 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 labour¹ 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.

¹ 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 provided¹.

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.

¹ 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 goods² 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.

² 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 goods¹ 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;

¹ 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.

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