

## EXPLANATORY NOTE

### ANNEX II

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 14.12 (Non-Conforming Measures) and 15.7 (Non-Conforming Measures), the specific sectors, subsectors, or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Article 14.4 (National Treatment) or 15.3 (National Treatment);
- (b) Article 14.5 (Most-Favored-Nation Treatment) or 15.4 (Most-Favored-Nation Treatment);
- (c) Article 14.10 (Performance Requirements);
- (d) Article 14.11 (Senior Management and Boards of Directors);
- (e) Article 15.5 (Market Access); or
- (f) Article 15.6 (Local Presence).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;
- (c) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 14.12.1(a) (Non-Conforming Measures) and 15.7.1(a) (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities listed in the entry;
- (d) **Description** sets out the scope or nature of the sectors, subsectors, or activities covered by the entry to which the reservation applies; and
- (e) **Existing Measures** identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, subsectors, or activities covered by the entry

3. In accordance with Articles 14.12.2 (Non-Conforming Measures) and 15.7.2 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned**

element of an entry do not apply to the sectors, subsectors, and activities identified in the **Description** element of that entry.