

ANNEX II

Reservations for Future Measures

Schedule of Canada – Explanatory Notes

1. Canada's Schedule to this Annex sets out, pursuant to Articles 8.9.2 and 9.6.2, the specific sectors, sub-sectors, or activities for which Canada may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (a) Article 8.3 (National Treatment) or 9.2 (National Treatment);
 - (b) Article 8.4 (Most-Favoured-Nation Treatment) or 9.3 (Most-Favoured-Nation Treatment);
 - (c) Article 8.7 (Senior Management and Boards of Directors);
 - (d) Article 8.8 (Performance Requirements);
 - (e) Article 9.4 (Market Access); or
 - (f) Article 9.5 (Local Presence).

2. Each reservation sets out the following elements:
 - (a) **Sector** refers to the general sector in which the reservation is taken;
 - (b) **Sub-sector** refers, where applicable, to the specific sector in which the reservation is taken;
 - (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;
 - (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
 - (e) **Description** sets out the scope of the sector, sub-sector, or activities covered by the reservation; and
 - (f) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

3. In accordance with Articles 8.9.2 and 9.6.2, the Articles of this Agreement specified in the **Type of Reservation** element of a reservation do not apply to the sectors, sub-sectors, and activities identified in the **Description** element of that reservation.

4. In the interpretation of a reservation, all elements of the reservation, with the exception of Industry Classification, shall be considered. The **Description** element shall prevail over all other elements.

5. For the purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, *Provisional Central Product Classification*, 1991; and

SIC means Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, *Standard Industrial Classification*, fourth edition, 1980.

6. For greater certainty, National Treatment (Article 9.2) and Local Presence (Article 9.5) are separate disciplines and a measure that is only inconsistent with Local Presence (Article 9.5) need not be reserved against National Treatment (Article 9.2).

ANNEX II

Schedule of Canada

Sector:	Aboriginal Affairs
Sub-sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Local Presence (Article 9.5) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure denying investors of Korea and their investments, or service providers of Korea, rights or preferences provided to aboriginal peoples.
Existing Measure:	<i>Constitution Act, 1982</i> , being Schedule B of the <i>Canada Act 1982 (U.K.)</i> , 1982, c. 11

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment (Article 8.3)

Description: **Investment**

Canada reserves the right to adopt or maintain a measure relating to residency requirements for the ownership of oceanfront land by investors of Korea, or their investments.

Existing Measures:

Sector:	Fisheries
Sub-sector:	Fishing and services incidental to fishing
Industry Classification:	SIC 031 Fishing Industry SIC 032 Services Incidental to Fishing CPC 882 Services Incidental to Fishing
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure with respect to licensing fishing or fishing related activities, including entry of foreign fishing vessels to Canada's exclusive economic zone, territorial sea, internal waters or ports and use of any services therein.
Existing Measures:	<i>Fisheries Act</i> , R.S.C. 1985, c. F-14 <i>Coastal Fisheries Protection Act</i> , R.S.C. 1985, c. 33 <i>Coastal Fisheries Protection Regulations</i> , C.R.C. 1978, c. 413 <i>Commercial Fisheries Licensing Policy</i> <i>Policy on Foreign Investment in the Canadian Fisheries Sector</i> , 1985

Sector:	Government Finance
Sub-sector:	Securities
Industry Classification:	SIC 8152 Finance and Economic Administration
Type of Reservation:	National Treatment (Article 8.3)
Description:	Investment Canada reserves the right to adopt or maintain a measure relating to the acquisition, sale or other disposition by nationals of Korea of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada or a Canadian sub-national government.
Existing Measure:	<i>Financial Administration Act</i> , R.S.C. 1985, c. F-11

Sector: Minority Affairs

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment (Articles 8.3 and 9.2)

Local Presence (Article 9.5)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

Description: **Cross-Border Trade in Services and Investment**

Canada reserves the right to adopt or maintain a measure conferring rights or privileges to a socially or economically disadvantaged minority.

Existing Measures:

Sector:	Social Services
Sub-sector:	
Industry Classification:	
Type of Reservation:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Local Presence (Article 9.5) Senior Management and Boards of Directors (Article 8.7)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure with respect to providing public law enforcement and correctional services, as well as the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.
Existing Measures:	

Sector:	Transportation
Sub-sector:	Air Transportation
Industry Classification:	Not CPC-defined, rather aircraft repair and maintenance services, as defined in the Cross-Border Trade in Services Chapter
Type of Reservation:	Most-Favoured-Nation Treatment (Article 9.3)
Description:	Cross-Border Trade in Services Canada reserves the right to selectively negotiate agreements or arrangements with other States, organisations of States, aeronautical authorities or service providers, to recognise their accreditation of repair, overhaul and maintenance facilities and certification by such facilities of work performed on Canadian-registered aircraft and other related aeronautical products.
Existing Measures:	

Sector:	Transportation
Sub-sector:	Air Transportation
Industry Classification:	Not CPC-defined, rather selling and marketing of air transport services, as defined in the Cross-Border Trade in Services Chapter
Type of Reservation:	National Treatment (Article 9.2) Most-Favoured-Nation Treatment (Article 9.3) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services Canada reserves the right to adopt or maintain a measure affecting the selling and marketing of an air transportation service.
Existing Measures:	

Sector:	Transportation
Sub-sector:	Water Transportation
Industry Classification:	<p>SIC 4129 Other Heavy Construction</p> <p>SIC 4541 Freight and Passenger Water Transport Industry</p> <p>SIC 4542 Ferry Industry</p> <p>SIC 4543 Marine Towing Industry</p> <p>SIC 4549 Other Water Transport Industries</p> <p>SIC 4552 Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)</p> <p>SIC 4553 Marine Salvage Industry</p> <p>SIC 4554 Piloting Service, Water Transport Industry</p> <p>SIC 4559 Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)</p> <p>CPC 5133/5223 Construction work for waterways, harbours, dams and other water works</p> <p>CPC 721 Transportation services by sea-going vessels</p> <p>CPC 722 Transportation services by non-sea-going vessels</p> <p>CPC 745 Supporting services for water transport</p> <p>Other marine activities of a commercial nature, as set out in the Description section below</p>

Type of Reservation: National Treatment (Articles 8.3 and 9.2)

Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)

Local Presence (Article 9.5)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

Description: **Cross-Border Trade in Services and Investment**

Canada reserves the right to adopt or maintain a measure affecting the investment in or provision of marine cabotage services, including:

- (a) the transportation of either goods or passengers by vessel between points in the territory of Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada; but with respect to waters above the continental shelf of Canada, the transportation of either goods or passengers only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and
- (b) the engaging by vessel in any other marine activity of a commercial nature in the territory of Canada and, with respect to waters above the continental shelf, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

This reservation relates to, among other things, local presence requirements for service providers entitled to participate in these activities, to criteria for the issuance of a temporary cabotage licence to foreign vessels and to limits on the number of cabotage licences issued to foreign vessels.

For greater certainty this reservation applies, *inter alia*, to feeder services.

Existing Measures:

Coasting Trade Act, S.C. 1992, c. 31

Canada Shipping Act, 2001, S.C. 2001, c. 26

Customs Act, R.S.C. 1985, c. 1 (2nd Supp.)

Customs and Excise Offshore Application Act,
R.S.C. 1985, c. C-53

Sector:	Transportation
Sub-sector:	Water Transportation
Industry Classification:	<p>SIC 4541 Freight and Passenger Water Transport Industry</p> <p>SIC 4542 Ferry Industry</p> <p>SIC 4543 Marine Towing Industry</p> <p>SIC 4549 Other Water Transport Industries</p> <p>SIC 4551 Marine Cargo Handling Industry</p> <p>SIC 4552 Harbour and Port Operation Industries</p> <p>SIC 4553 Marine Salvage Industry</p> <p>SIC 4554 Piloting Service, Water Transport Industry</p> <p>SIC 4559 Other Service Industries Incidental to Water Transport</p> <p>CPC 721 Transport services by sea-going vessels</p> <p>CPC 722 Transport services by non-sea-going vessels</p> <p>CPC 745 Supporting services for water transport</p> <p>Any other marine activity of a commercial nature in waters of mutual interest</p>
Type of Reservation:	Most-Favoured-Nation Treatment (Article 9.3)

Description:

Cross-Border Trade in Services

Canada reserves the right to adopt or maintain a measure affecting the implementation of agreements, arrangements and other formal or informal undertakings with other countries with respect to maritime activities in waters of mutual interest in areas such as pollution control (including double hull requirements for oil tankers), safe navigation, barge inspection standards, water quality, pilotage, salvage, drug abuse control and maritime communications.

Existing Measures:

Sector:	Technical Testing and Analysis Services
Sub-sector:	Maritime Technical Testing and Analysis Services
Industry Classification:	CPC 8676 Technical Testing and Analysis Services
Type of Reservation:	Local Presence (Article 9.5) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Description:	Cross-Border Trade in Services and Investment Canada reserves the right to adopt or maintain a measure affecting the statutory inspection and certification of vessels on behalf of Canada.

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: Most-Favoured-Nation Treatment (Article 8.4)

Description: **Investment**

Canada reserves the right to adopt or maintain a measure that accords differential treatment to countries under a bilateral or multilateral international agreement in force or signed prior to 1 January 1994.

Canada reserves the right to adopt or maintain a measure that accords differential treatment to a country under an existing or future bilateral or multilateral agreement relating to:

- (a) aviation;
- (b) fisheries; or
- (c) maritime matters, including salvage.

Existing Measures:

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: Market Access (Article 9.4)

Description: **Cross-Border Trade in Services**

Canada reserves the right to adopt or maintain a measure that is not inconsistent with Canada's obligations under Article XVI of the GATS.

For purposes of this reservation only, Canada's Schedule of Specific Commitments is modified as indicated in Appendix II-A.

Existing Measures:

Appendix II-A

Canadian Sectors Covered by Article XVI of the GATS

For the following Sectors, Canada's obligations under Article XVI of the GATS are improved:

Sector/Sub-sector	Market Access Improvements
Accounting, Auditing, and Book-keeping services	<p>Under Mode 1 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia - Citizenship requirement for accreditation: Manitoba and Quebec - Permanent residence requirement for accreditation: Ontario <p>Under Mode 2 remove:</p> <p><u>Auditing</u></p> <ul style="list-style-type: none"> - Commercial presence requirement: Nova Scotia - Citizenship requirement for accreditation: Manitoba and Quebec - Permanent residence requirement for accreditation: Ontario
Architectural services	<p>Under Mode 1 remove:</p> <p><u>Architects</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec
Engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec

Sector/Sub-sector	Market Access Improvements
	<p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec
Integrated engineering services	<p>Under Mode 1 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec <p>Under Mode 2 remove:</p> <p><u>Consulting Engineers</u></p> <ul style="list-style-type: none"> - Commercial presence requirement for accreditation: Manitoba <p><u>Engineers</u></p> <ul style="list-style-type: none"> - Permanent residence requirement for accreditation: Newfoundland and Labrador, Nova Scotia - Citizenship requirement for accreditation: Quebec
Urban planning and landscape architectural services	<p>Under Mode 1 remove:</p> <p><u>Community/ Urban Planning</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec
Real estate services	<p>Under Mode 1 remove:</p> <p><u>Chartered Appraisers</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec

Sector/Sub-sector	Market Access Improvements
Management consulting services	<p>Under Mode 1 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Professional Administrators and Certified Management Consultants</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec <p><u>Industrial Relations Counsellors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for use of title: Quebec <p>Under Mode 2 remove:</p> <p><u>Agrologists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec
Investigation and security services	<p>Under Mode 3 remove:</p> <p><u>Business and Personnel Information Investigations</u></p> <ul style="list-style-type: none"> - Foreign ownership restriction to 25% in total and 10% by any individual holding shares: Ontario
Related scientific and technical consulting services	<p>Under Mode 1 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec <p><u>Subsurface Surveying Services</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Professional Technologist</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p><u>Chemists</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Quebec <p>Under Mode 2 remove:</p> <p><u>Land Surveyors</u></p> <ul style="list-style-type: none"> - Citizenship requirement for accreditation: Nova Scotia and Quebec

Sector/Sub-sector	Market Access Improvements
	<u>Subsurface Surveying Services</u> - Citizenship requirement for accreditation: Quebec
Other business services	Under Mode 1 remove: <u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec Under Mode 2 remove: <u>Certified Translators and Interpreters</u> - Citizenship requirement for use of title: Quebec Under Mode 3 remove: <u>Collection Agencies</u> - Foreign Ownership restriction to 25% in total and 10% by any individual: Ontario
Courier services	Under Mode 3 remove: - Economic needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to provide proper service.): Nova Scotia and Manitoba
General construction work for civil engineering	Under Mode 3 remove: <u>Construction</u> - An applicant and holder of a water power site development permit must be incorporated in Ontario
Wholesale trade services	Under Mode 1 remove: Marketing of Fish Products (Nova Scotia): Nova Scotia residents require ministerial approval to enter into agreements with non-residents

Sector/Sub-sector	Market Access Improvements
Railway passenger and freight transport	Under Mode 1 remove: - cabotage limitation
Road Passenger Transportation	Under Mode 3 remove: <u>Interurban bus transport and scheduled services:</u> - Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to provide proper service.): Prince Edward Island
Road Freight transportation	Under Mode 3 remove: <u>Highway freight transportation</u> - Public convenience and needs test (Criteria related to approval include: examination of the adequacy of current levels of service; market conditions establishing the requirement for expanded service; the effect of new entrants on public convenience, including the continuity and quality of service, and the fitness, willingness and ability of the applicant to provide proper service.): British Columbia, Manitoba, Ontario, Prince Edward Island, Nova Scotia
Telecommunications	Under Mode 3 remove: Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.

ANNEX II

Reservations for Future Measures

Schedule of Korea – Explanatory Notes

1. Korea's Schedule to this Annex sets out, pursuant to Articles 8.9.2 and 9.6.2, the specific sectors, sub-sectors, or activities for which Korea may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (a) Article 8.3 (National Treatment) or 9.2 (National Treatment);
 - (b) Article 8.4 (Most-Favoured-Nation Treatment) or 9.3 (Most-Favoured-Nation Treatment);
 - (c) Article 8.7 (Senior Management and Boards of Directors);
 - (d) Article 8.8 (Performance Requirements);
 - (e) Article 9.4 (Market Access); or
 - (f) Article 9.5 (Local Presence).
2. Each entry sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Obligations Concerned** specifies the Articles referred to in paragraph 1 that, pursuant to Articles 8.9.2 and 9.6.2, do not apply to the sectors, sub-sectors, or activities scheduled in the entry; and
 - (c) **Description** sets out the scope of the sectors, sub-sectors, or activities covered by the entry.
3. In accordance with Articles 8.9.2 and 9.6.2, the Articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the sectors, sub-sectors, and activities identified in the Description element of that entry.
4. In the interpretation of an entry, all elements of the entry shall be considered equally.

5. For greater certainty, National Treatment (Article 9.2) and Local Presence (Article 9.5) are separate disciplines and a measure that is only inconsistent with Local Presence (Article 9.5) need not be reserved against National Treatment (Article 9.2).

ANNEX II

Schedule of Korea

1. Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 8.3) Performance Requirements (Article 8.8)
Description:	Investment 1. Korea reserves the right to adopt or maintain, with respect to the establishment or acquisition of an investment, a measure that is necessary for the maintenance of public order pursuant to Article 4 of the <i>Foreign Investment Promotion Act</i> (2012) and Article 5 of the <i>Enforcement Decree of the Foreign Investment Promotion Act</i> (2012), provided that the measure is applied in accordance with the procedural requirements set out in the <i>Foreign Investment Promotion Act</i> (2012), <i>Enforcement Decree of the Foreign Investment Promotion Act</i> (2012), and other applicable law. 2. Without prejudice to any claim that may be submitted to arbitration pursuant to Articles 8.18 and 8.19, a claimant may submit to arbitration under Section B of Chapter Eight (Investment) a claim that: (a) Korea has adopted or maintained a measure for which it has provided notice pursuant to paragraph 1; and (b) the claimant or, as the case may be, an enterprise of Korea that is a juridical person that the claimant owns or controls directly or indirectly, has incurred loss or damage by reason of, or arising out of, the measure.

In the event of such a claim, Section B of Chapter Eight (Investment) shall apply, *mutatis mutandis*, and all references in Section B of Chapter Eight (Investment) to a breach, or to an alleged breach, of an obligation under Section A of Chapter Eight (Investment) shall be understood to refer to the measure, which would constitute a breach of an obligation under Section A of Chapter Eight (Investment) but for this entry. However, no award may be made in favour of the claimant, if Korea establishes to the satisfaction of the tribunal that the measure satisfies all the conditions listed in paragraph 1.

3. This entry does not apply to the extent that a measure referred to in paragraph 1 is subject to Chapter Ten (Financial Services).

2. Sector: All Sectors

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

Local Presence (Article 9.5)

Description: **Investment**

Korea reserves the right to adopt or maintain any measure with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities.

Such a measure shall be implemented pursuant to of Chapter Nineteen (Transparency).

Notwithstanding Article 10.9.3, this entry is not treated as a non-conforming measure not subject to Article 10.2 (National Treatment).

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

For the purposes of this entry:

A state enterprise includes any enterprise created for the sole purpose of selling or disposing of equity interests or assets of state enterprise or governmental authorities.

Cross-Border Trade in Services and Investment

Without prejudice to Korea's Schedules to Annex I and Annex II, Korea reserves the right to adopt or maintain any measure with respect to the transfer to the private sector of all or any portion of services provided in the exercise of governmental authority.

3. Sector: Acquisition of Land

Obligations Concerned: National Treatment (Article 8.3)

Description: **Investment**

Korea reserves the right to adopt or maintain any measure 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:

- (a) is not deemed foreign pursuant to Article 2 of the *Foreigner's Land Acquisition Act*; and
- (b) is deemed foreign under the *Foreigner's Land Acquisition Act* or is a branch of a foreign juridical person subject to approval or notification in accordance with the *Foreigner's Land Acquisition Act*, if the land is to be used for any of the following legitimate business purposes:
 - (i) land used for ordinary business activities;
 - (ii) land used for housing for senior management; and
 - (iii) land used for fulfilling land-holding requirements stipulated by pertinent laws.

Korea reserves the right to adopt or maintain any measure with respect to the acquisition of farmland by foreign persons.

4. Sector:	Firearms, Swords, Explosives, and Similar Items
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to the firearms, swords, explosives, gas sprays, electric shocks, and crossbows sector, including the manufacture, use, sale, storage, transport, import, export, and possession of firearms, swords, explosives, gas sprays, electric shocks, and crossbows.

5. Sector:	Disadvantaged Groups
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <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>

6. Sector: State-Owned Electronic Information System

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Senior Management and Boards of Directors (Article 8.7)

Performance Requirements (Article 8.8)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure 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 entry does not apply to payments and settlement systems related to financial services.

7. Sector:	Social Services
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure 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>

8. Sector: All Sectors

Obligations Concerned: Market Access (Article 9.4)

Description: **Cross-Border Trade in Services**

Korea reserves the right to adopt or maintain any measure that is not inconsistent with Korea's obligations pursuant to Article XVI of GATS as set out in Korea's Schedule of Specific Commitments under the GATS (GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1).

For the purposes of this entry only, Korea's Schedule is subject to the following modifications:

- (a) for any sector and subsector with regard to which Korea's Annex I contains an entry (other than an entry with regard to "All Sectors") that does not list Market Access as one in the Obligations Concerned element, "None" is inscribed in the Market Access column for modes 1, 2, and 3, and "Unbound except as indicated in the Horizontal commitments section" is inscribed for mode 4;
- (b) for any sector and subsector with regard to which Korea's Annex I contains an entry (other than an entry with regard to "All Sectors") that lists a limitation to the Market Access obligation, that limitation is inscribed in the Market Access column with regard to the appropriate mode of supply; and
- (c) for any sector and subsector listed in Appendix II-A, Korea's Schedule is modified as indicated in the Appendix II-A.

These modifications does not affect any limitation relating to sub-paragraph (f) of paragraph 2 of Article XVI of GATS inscribed in the Market Access column of Korea's Schedule.

For greater certainty, an entry of "None" in the Market Access column of Korea's Schedule is not construed to alter the application of Article 9.5 (Local Presence) as modified by Article 9.6 (Non-Conforming Measures).

9. Sector:	All Sectors
Obligations Concerned:	Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.</p> <p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed after the date of entry into force of this Agreement involving:</p> <ul style="list-style-type: none">(a) aviation;(b) fisheries;(c) maritime matters, including salvage; or(d) railroad transportation.

10. Sector:	Environmental Services – Treatment and Supply Services for Potable Water; Collection and Treatment Services for Municipal Sewage; Collection, Transportation, and Disposal Services for Municipal Refuse; Sanitation and Similar Services; Nature and Landscape Protection Services (Except for Environmental Impact Assessment Services)
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to the following environmental services: treatment and supply of potable water; collection and treatment of municipal sewage; collection, transportation, and disposal of municipal refuse; sanitation and similar services; and nature and landscape protection services (except for environmental impact assessment services). This entry does not apply to the supply of the aforementioned services pursuant to a contract between private parties, to the extent private supply of such services is permitted under relevant laws and regulations.

11. Sector:	Atomic Energy – Nuclear Power Generation; Manufacturing and Supply of Nuclear Fuel; Nuclear Materials; Radioactive Waste Treatment and Disposal (including treatment and disposal of spent and irradiated nuclear fuel); Radioisotope and Radiation Generation Facilities; Monitoring Services for Radiation; Services Related to Nuclear Energy; Planning, Maintenance, and Repair Services
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to the atomic energy industry.

12. Sector:	Energy Services – Electric Power Generation Other Than Nuclear Power Generation; Electric Power Transmission, Distribution, and Sales; Electricity Business
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to electric power generation, transmission, distribution, and sales. Any such measure shall not decrease the level of foreign ownership permitted in the electric power industry as provided by the 42 nd entry in Korea’s Schedule to Annex I. Notwithstanding this entry, Korea shall not adopt or maintain any measure inconsistent with Article 8.8.1(f).

13. Sector:	Energy Services – Gas industry
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure 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 does not decrease the level of foreign ownership permitted in the gas industry as provided by the 43 rd entry in Korea’s Schedule to Annex I.

14. Sector: Distribution Services – Commission Agents’ Services,
Wholesaling and Retailing of Agricultural Raw Materials
and Live Animals (*nong chuk san mul*)

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Performance Requirements (Article 8.8)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure
with respect to:

- (a) commission agents’ services;
- (b) wholesaling (including importation) services; and
- (c) retailing services,

with respect to rice, ginseng, and red ginseng.

15. Sector:	Transportation Services – Passenger Road Transportation Services (Taxi Services and Scheduled Passenger Road Transportation Services)
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure with respect to taxi services and scheduled passenger road transportation services.</p>

16. Sector:	Transportation Services – Freight Road Transportation Services (not including Road Transportation Services Related to Courier Services)
Obligations Concerned:	<p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure 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.</p>

17. Sector:	Transportation Services – Internal Waterways Transportation Services and Space Transportation Services
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to internal waterways transportation services and space transportation services.

18. Sector: Transportation Services – Storage and Warehousing Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure with respect to storage and warehousing services related to rice.

19. Sector: Communication Services – Non-monopoly Postal Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Description: **Cross-Border Trade in Services and Investment**

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 equivalent status; and
- (b) the determination of the total number of vehicles that belong to the Ministry of Science, ICT and Future Planning and the allocation of those vehicles to postal offices, for which the Ministry of Science, ICT and Future Planning does not need authorisation from the Minister of Land, Infrastructure and Transport.

For greater certainty, the Korean Postal Authority reserves its exclusive rights under domestic law for collecting, processing, and delivering domestic and international letters. This exclusive right is not affected in any way or form by any provisions in this Agreement. Such exclusive right of the Korean Postal Authority includes the right of access to its postal network and operation thereof.

20. Sector:	Communication Services – Broadcasting and Telecommunications Services
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Market Access (Article 9.4)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure with respect to subscription-based video services.</p> <p>For the purposes of this entry, “subscription-based video services” means subscription-based video services that are supplied to end-users over dedicated transmission capacity that the supplier owns or controls (including by leasing) and includes Internet Protocol-based Television (IPTV) and Interactive Broadcasting.</p> <p>For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).</p>

21. Sector: Communication Services – Broadcasting and Audio-Visual Services

Obligations Concerned: Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
Performance Requirements (Article 8.8)

Description: **Cross-Border Trade in Services and Investment**
Korea reserves the right to adopt or maintain any preferential co-production arrangement for film or television productions. Official co-production status, which may be granted to a co-production produced under such a co-production arrangement, confers national treatment on works covered by a co-production arrangement.

22. Sector: Communication Services – Broadcasting and Audio-Visual Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Performance Requirements (Article 8.8)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure setting criteria for determining whether broadcasting or audio-visual programs are Korean.

For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).

23. Sector: Business Services – Real Estate Services (not including Real Estate Brokerage and Appraisal Services)

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Performance Requirements (Article 8.8)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure with respect to real estate development, supply, management, sale, and rental services, except for brokerage and appraisal services.

24. Sector: Business Services – Insolvency and Receivership Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Senior Management and Boards of Directors (Article 8.7)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure with respect to insolvency and receivership services.

Korea reserves the right to adopt or maintain any measure with respect to corporate restructuring services, including corporate restructuring companies, corporate restructuring partnerships, and corporate restructuring vehicles.

For greater certainty, this entry is not construed to negatively affect current legitimate investment banking services subject to rights and obligations under Chapter Ten (Financial Services).

25. Sector:	Digital Audio or Video Services
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure to ensure that, upon a finding by the Government of Korea that Korean digital audio or video content or genres thereof is not readily available to Korean consumers, access to such content is not unreasonably denied to Korean consumers. With respect to digital audio or video services targeted at Korean consumers, Korea reserves the right to adopt or maintain any measure to promote the availability of such content.</p> <p>A measure adopted or maintained pursuant to the paragraph above shall be implemented in accordance with Chapter Nineteen (Transparency) as applicable, be based on objective criteria, and be no more trade-restrictive or burdensome than necessary.</p> <p>For the purposes of this entry, “digital audio or video service” means a service that provides streaming audio content, films, or other video downloads or streaming video content regardless of the type of transmission (including through the Internet), but does not include broadcasting services as defined by the <i>Broadcasting Act</i> or subscription-based video services as defined in the 20th entry in this Annex.</p> <p>For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).</p>

26. Sector: Business Services – Cadastral Surveying Services and Cadastral Map-Related Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure with respect to cadastral surveying services and cadastral map-related services.

27. Sector:	Business and Environmental Services – Examination, Certification, and Classification of Agricultural Raw Materials and Live Animals (<i>nong chuk san mul</i>)
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to examination, certification, and classification of agricultural raw materials and live animal products.

28. Sector:	Business Services – Services Incidental to Agriculture, Hunting, Forestry, and Fishing
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to services incidental to agriculture, forestry, and livestock, including genetic improvement, artificial insemination, rice and barley polishing, and activities related to a rice processing complex. Korea reserves the right to adopt or maintain any measure with respect to the supply of services incidental to agriculture, hunting, forestry, and fishing by the Agricultural Cooperatives, the Forestry Cooperatives, and the Fisheries Cooperatives.

29. Sector: Fishing

Obligations Concerned: National Treatment (Article 8.3)

Description: **Investment**

Korea reserves the right to adopt or maintain any measure with respect to fishing activities in Korea's territorial waters and exclusive economic zone.

30. Sector: Publishing of Newspapers

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Senior Management and Boards of Directors (Article 8.7)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

Korea reserves the right to adopt or maintain any measure with respect to the publishing (including printing and distribution) of newspapers.

For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).

31. Sector:	Education Services – Pre-Primary, Primary, Secondary, Higher, and Other Education
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure 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>

32. Sector:	Social Services – Human Health Services
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2)
	Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)
	Senior Management and Boards of Directors (Article 8.7)
	Performance Requirements (Article 8.8)
	Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment
	Korea reserves the right to adopt or maintain any measure with respect to human health services.

33. Sector:	Recreational, Cultural, and Sporting Services – Motion Picture Promotion, Advertising, or Post-Production Services
Obligations Concerned:	<p>National Treatment (Articles 8.3 and 9.2)</p> <p>Most-Favoured-Nation Treatment (Articles 8.4 and 9.3)</p> <p>Performance Requirements (Article 8.8)</p> <p>Local Presence (Article 9.5)</p>
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>Korea reserves the right to adopt or maintain any measure with respect to motion picture promotion, advertising, or post-production services.</p> <p>For greater certainty, this entry is without prejudice to the scope and application of Article 22.6 (Cultural Industries).</p>

34. Sector: Recreational, Cultural, and Sporting Services – Museum and Other Cultural Services

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)
Senior Management and Boards of Directors (Article 8.7)
Performance Requirements (Article 8.8)
Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**
Korea reserves the right to adopt or maintain any measure with respect to the conservation, reconstruction and restoration of cultural heritage and properties, including the excavation, appraisal, or dealing of cultural heritage and properties.

35. Sector: Other Recreational Services

Obligations Concerned: National Treatment (Article 8.3)

Description: **Investment**

Korea reserves the right to adopt or maintain any measure with respect to tourism in rural, fishery, and agricultural sites.

36. Sector:	Legal Services – Foreign Legal Consultants
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Local Presence (Article 9.5)
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>1. Korea reserves the right to adopt or maintain any measures including:</p> <ul style="list-style-type: none"> (a) restrictions on certification, approval, registration, admission, and supervision of, and any other requirements with respect to, foreign-licensed lawyers or foreign law firms supplying any type of legal services in Korea; (b) restrictions on foreign-licensed lawyers or foreign law firms entering into partnerships, commercial associations, affiliations, or any other type of relationship regardless of legal form, with <i>byeon-ho-sa</i> (Korean-licensed lawyers), Korean law firms, <i>beop-mu-sa</i> (Korean-certified judicial scriveners), <i>byeon-ri-sa</i> (Korean-licensed patent attorneys), <i>gong-in-hoe-gye-sa</i> (Korean-certified public accountants), <i>se-mu-sa</i> (Korean-certified tax accountants), or <i>gwan-se-sa</i> (Korean customs brokers);

- (c) restrictions on foreign-licensed lawyers or foreign law firms hiring *byeon-ho-sa* (Korean-licensed lawyers), *beop-mu-sa* (Korean-certified judicial scriveners), *byeon-ri-sa* (Korean-licensed patent attorneys), *gong-in-hoe-gye-sa* (Korean-certified public accountants), *se-mu-sa* (Korean certified tax accountants), or *gwan-se-sa* (Korean customs brokers) in Korea; and
 - (d) restrictions on senior management and the board of directors of legal entities supplying foreign legal consulting services, including with respect to the chairman.
2. Notwithstanding paragraph 1,
- (a) no later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement, Canadian law firms to establish representative offices (Foreign Legal Consultant offices or FLC offices) in Korea, and attorneys licensed in Canada 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;
 - (b) no later than two years after the date this Agreement enters into force, Korea shall allow FLC offices, 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 where domestic and foreign legal issues are mixed, and to share profits derived from such cases; and

(c) no later than five years after the date this agreement enters into force, Korea shall allow Canadian law firms 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 ventures may, subject to certain requirements, employ Korean-licensed lawyers as partners or associates.

3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.

4. For the purposes of this entry, “Canadian law firm” means a law firm organised under Canadian law and headquartered in Canada.

37. Sector:	Professional Services – Foreign Certified Public Accountants
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Senior Management and Boards of Directors (Article 8.7) Local Presence (Article 9.5)
Description:	<p>Cross-Border Trade in Services and Investment</p> <p>1. Korea reserves the right to adopt or maintain any measures, including:</p> <ul style="list-style-type: none"> (a) restrictions on certified public accountants or accounting corporations registered under foreign laws hiring <i>gong-in-hoe-gye-sa</i> (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. <p>2. Notwithstanding paragraph 1,</p> <ul style="list-style-type: none"> (a) no later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement: <ul style="list-style-type: none"> (i) Canadian Chartered Accountants registered in Canada or accounting corporations organised under Canadian law to supply accounting consulting services relating to Canadian or international accounting laws and standards through offices established in Korea; and

- (ii) Canadian Chartered Accountants registered in Canada to work in *hoe-gye-beop-in* (Korean accounting corporations); and
 - (b) no later than five years after the date this Agreement enters into force, Korea shall allow Canadian Chartered Accountants registered in Canada to invest in any *hoe-gye-beop-in* (Korean accounting corporations), subject to certain requirements consistent with this Agreement, provided that:
 - (i) *gong-in-hoe-gye-sa* (Korean registered certified public accountants) shall own more than 50 percent of the voting shares or equity interest of the *hoe-gye-beop-in*; and
 - (ii) any single Canadian Chartered Accountants registered in Canada owns less than 10 percent of the voting shares or equity interests of the *hoe-gye-beop-in*.
3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.
4. For the purposes of this entry, a “Canadian accounting corporation” means an accounting corporation or partnership organised under Canadian law and headquartered in Canada.

38. Sector: Professional Services - Foreign Certified Tax Accountants

Obligations Concerned: National Treatment (Articles 8.3 and 9.2)

Senior Management and Boards of Directors (Article 8.7)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services and Investment**

1. Korea reserves the right to adopt or maintain any measures, including:

(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.

2. Notwithstanding paragraph 1,

(a) no later than the date this Agreement enters into force, Korea shall allow, subject to certain requirements consistent with this Agreement:

(i) the establishment of offices in Korea by Canadian certified tax accountants registered in Canada or tax agency corporations organised under Canadian laws to provide tax consulting services with respect to Canadian or international tax laws and taxation system; and

- (ii) Canadian certified tax accountants registered in Canada to work in *se-mu-beop-in* (Korean tax agency corporations); and
 - (b) no later than five years after this Agreement enters into force, Korea shall allow Canadian certified tax accountants registered in Canada to invest in any *se-mu-beop-in* (Korean tax agency corporations), subject to certain requirements consistent with this Agreement, provided that:
 - (i) *se-mu-sa* (Korean-certified tax accountants) shall own more than 50 percent of the voting shares or equity interests of the *se-mu-beop-in*; and
 - (ii) any single Canadian certified tax accountant registered in Canada owns less than 10 percent of the voting shares or equity interests of the *se-mu-beop-in*.
3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.
4. For the purposes of this entry, a “Canadian tax agency corporation” means a tax agency corporation or partnership organised under Canadian law and headquartered in Canada.

39. Sector: Business Services

Obligations Concerned: National Treatment (Article 9.2)

Local Presence (Article 9.5)

Description: **Cross-Border Trade in Services**

Korea reserves the right to adopt or maintain any measure with respect to the exportation and re-exportation of controlled commodities, software, and technology.

Only persons residing in Korea may apply for a license to export or re-export such commodities, software, or technology.

40. Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 8.3) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8)
Description:	Investment Korea reserves the right to adopt or maintain any measure with respect to an investment to supply a service in the exercise of governmental authority, as defined in Article 9.1 (Scope and Coverage) such as law enforcement and correctional services. This entry does not apply to: (a) an investor or covered investment that has entered into an agreement with Korea with respect to the supply of such services; or (b) a measure adopted or maintained by Korea to the extent that the measure is subject to Chapter Ten (Financial Services).

41. Sector:	Transportation Services – Maritime Passenger Transportation and Maritime Cabotage
Obligations Concerned:	National Treatment (Articles 8.3 and 9.2) Most-Favoured-Nation Treatment (Articles 8.4 and 9.3) Senior Management and Boards of Directors (Article 8.7) Performance Requirements (Article 8.8) Local Presence (Article 9.5)
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to the provision of international maritime passenger transportation services, maritime cabotage, and the operation of Korean vessels, including the following measures: (a) A person that supplies international maritime passenger transportation services must obtain a license from the Minister of Oceans and Fisheries, which is subject to an economic needs test.

- (b) Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, maritime cabotage is reserved for Korean vessels, which are assumed to cover transportation of passengers or goods between a port or point located in the entire Korean peninsula and any adjacent Korean islands and another port or point located in the entire Korean peninsula and any adjacent Korean islands, including on its continental shelf as provided in the UNCLOS, and traffic originating and terminating in the same port or point located in the entire Korean peninsula and any adjacent Korean islands. “Korean vessel” means:
- (i) a vessel owned by the Korean government, a state enterprise, or an institution established under the Ministry of Oceans and Fisheries;
 - (ii) a vessel owned by a Korean national;
 - (iii) a vessel owned by an enterprise organised under the *Korean Commercial Code*; and
 - (iv) a vessel owned by an enterprise organised under foreign law that has its principal office in Korea and whose *dae-pyo-ja* (representative; 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 *dae-pyo-ja* must be Korean nationals.

APPENDIX II-A

Korean Sectors Covered by Article XVI of the GATS

For the following Sectors/Sub-sectors, Korea’s obligations pursuant to Article XVI of the General Agreement on Trade in Services as set out in Korea’s Schedule of Specific Commitments under the GATS (GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Sub-sector	Market Access Improvements
<p>Research and development services:</p> <p>a. Research and development services on natural sciences</p> <p>b. Research and development services on social sciences and humanities</p> <p>c. Interdisciplinary research and development services</p>	<p>Insert new commitments with “None” for modes 1 and 2, “Unbound” for mode 3 and “Unbound except as indicated in the Horizontal Commitments section.” for mode 4</p> <p>Modify mode 1 and 2 limitations from “Unbound” to “None”</p> <p>Insert new commitments with “None” for modes 1 and 2, “Unbound” for mode 3 and “Unbound except as indicated in the Horizontal Commitments section” for mode 4</p>
<p>Market research and public opinion polling services</p>	<p>Modify mode 1 and 2 limitations from “Unbound” to “None”</p>
<p>Services incidental to mining</p>	<p>Modify mode 1 and 2 limitations from “Unbound” to “None”</p>

Sector/Sub-sector	Market Access Improvements
Packaging services	Modify mode 1 and 2 limitations from “Unbound” to “None”
Convention services other than Convention agency services	Insert new commitments with “None” for mode 1, 2 and 3 and “Unbound except as indicated in the Horizontal Commitments section” for mode 4
<p>Tourism and travel related services:</p> <p>a. Beverage serving services without entertainment</p> <p>Excluding rail and air transport related facilities in beverage serving services without entertainment</p> <p>b. Tour operator services</p> <p>c. Tourist guides services</p>	<p>Insert new commitments with “Unbound*” for mode 1, “None” for mode 2 and 3 and “Unbound except as indicated in the Horizontal Commitments section” for mode 4</p> <p>Insert new commitments with “None” for mode 1, 2 and 3 and “Unbound except as indicated in the Horizontal Commitments section” for mode 4</p> <p>Modify mode 3 from “Only travel agencies are allowed to supply tourist guide services” to “None”</p>