

## ANNEX II

### Explanatory Notes

1. The Schedule of a Party to this Annex sets out, pursuant to Articles 7.6 (Non-Conforming Measures – Cross-Border Trade in Services) and 11.12 (Non-Conforming Measures – Investment), the specific sectors, sub-sectors 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 7.2 (National Treatment – Cross-Border Trade in Services) or 11.3 (National Treatment – Investment);
- (b) Article 7.3 (Most-Favoured-Nation Treatment – Cross-Border Trade in Services) or 11.4 (Most-Favoured-Nation Treatment – Investment);
- (c) Article 7.4 (Market Access– Cross-Border Trade in Services);
- (d) Article 7.5 (Local Presence– Cross-Border Trade in Services);
- (e) Article 11.9 (Performance Requirements– Investment); or
- (f) Article 11.10 (Senior Management and Boards of Directors– Investment).

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 7.6.2 and Article 11.12.2, do not apply to the sectors, sub-sectors or activities listed in the entry;
- (c) **Description** sets out the scope of the sector, sub-sector or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the entry.

3. In accordance with Articles 7.6.2 and 11.12.2, 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. For Korea, a “foreign person” means a foreign national or an enterprise organised under the laws of another country.