

Annex II

SCHEDULE OF EL SALVADOR

EXPLANATORY NOTE

1. The Schedule of El Salvador of this Annex sets out, pursuant to Articles 9.13 (Non-**Conforming** Measures) and 10.6 (Non-Conforming Measures), 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) Articles 9.3 (National Treatment) or 10.2 (National Treatment);
- (b) Articles 9.4 (Most-Favored-Nation Treatment) or 10.3 (Most-Favored-Nation Treatment);
- (c) Article 10.5 (Local Presence)
- (d) Article 9.9 (Performance Requirements);
- (e) Article 9.10 (Senior Management and Boards of Directors); or
- (f) Article 10.4 (Market Access).

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 9.13 (Non-Conforming Measures) and 10.6 (Non-Conforming Measures), shall not apply to the sectors, subsectors, or activities listed in the entry;
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. In accordance with Article 9.13 (Non-Conforming Measures) and 10.6 (Non-Conforming Measures), the articles of this Agreement specified in the Obligations Concerned element of an entry shall not apply to the sectors, subsectors, and activities identified in the Description element of that entry.

1. Sector:	Postal Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- Favored Nation Treatment (Articles 9.4 and 10.3)
Description:	<u>Investment and Cross- Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure with respect to the provision of postal services.

2. Sector:	Social Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador 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 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.

3. Sector:	Minority Affairs
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

4. Sector:	Transportation Services: Land Transportation Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.4) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure with respect to Land Transportation Services.

5. Sector:	Business Services: Professional Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding cross-border trade in services and investment of Professional Services ¹ .

¹ For greater certainty, investment-related professional services does not preclude compliance with national legislation for professional practice under the definition of trade in services under this Agreement.

6. Sector:	Construction and related Engineering Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross- Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding construction and related engineering services.

7. Sector:	All Sectors
Obligations Concerned:	Most-Favored- Nation Treatment (Articles 9.4 and 10.3)
Description:	<p><u>Investment and Cross-Border Trade in Services</u></p> <p>El Salvador 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 Treaty².</p> <p>El Salvador 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 Treaty, involving:</p> <ul style="list-style-type: none"> (a) aviation; (b) fisheries; (c) maritime matters, including salvage; (d) telecommunication services; or (e) railroad transportation.

² For greater certainty, El Salvador may adopt or maintain any measure derived from a community law norm resulting of a community law instrument, or adopted by an organ of the Central America Integration System (Sistema de Integración Centroamericana), or its successor.

8. Sector:	Other Business Services: Private Security Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most-favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding private security services.

9. Sector:	Communications Services: Telecommunications Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most-favored-Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross- Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding telecommunications services.

10. Sector:	Distribution Services: Petroleum Products
Obligations Concerned:	Performance Requirements (Article 9.9) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding distribution services of petroleum products.

11. Sector:	Health related Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross- Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding health related services.

12. Sector:	Pharmaceutical Industry
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross- Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding Pharmaceutical Industry, such as services supplied by pharmacies, pharmacists, and distribution of pharmaceuticals, medicines and cosmetic products

13. Sector:	Energy
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding energy services such as: production, transmission and distribution of electricity and gas industry.

14. Sector:	Education Services
Obligations Concerned:	<p>National Treatment (Articles 9.3 and 10.2)</p> <p>Most- favored- Nation Treatment (Articles 9.4 and 10.3)</p> <p>Performance Requirements (Article 9.9)</p> <p>Senior Management and Boards of Directors (Article 9.10)</p> <p>Market Access (Article 10.4)</p> <p>Local Presence (Article 10.5)</p>
Description:	<p><u>Investment and Cross- Border Trade in Services</u></p> <p>El Salvador reserves the right to adopt or maintain any measure regarding education services such as: primary, secondary, higher, and other education services.</p>

15. Sector:	Audiovisual Services
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure in audiovisual services, such as: motion pictures and video tape production and distribution services; motion picture projection service, and sound recording.

16. Sector:	Creative Industry: Production of Creative Content
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure in creative industry, referring to the production of creative content, such as: music, theater, literature, photography, animation, video and computer games (also on line) and software development.

17. Sector:	Manufacturing of Liquor
Obligations Concerned:	Performance Requirements (Article 9.9)
Description:	<u>Investment</u> El Salvador reserves the right to adopt or maintain any measure with respect to manufacturing of liquor.

18. Sector:	Mining and Quarrying
Obligations Concerned:	National Treatment (Articles 9.3 and 10.2) Most- favored- Nation Treatment (Articles 9.4 and 10.3) Performance Requirements (Article 9.9) Senior Management and Boards of Directors (Article 9.10) Market Access (Article 10.4) Local Presence (Article 10.5)
Description:	<u>Investment and Cross-Border Trade in Services</u> El Salvador reserves the right to adopt or maintain any measure regarding mining and quarrying.