

September 22, 2014

Mr. Ian Burney  
Chief Negotiator for Canada  
Ottawa, Canada

Dear Mr. Ian Burney,

I have the honour to confirm the following understanding reached between the delegations of the Republic of Korea and Canada during the course of negotiations regarding Chapters Eight (Investment) and Nine (Cross-Border Trade in Services) of the Free Trade Agreement between our two Governments:

Notwithstanding Article 8.1 (Scope and Coverage) or 9.1 (Scope and Coverage), cross-border trade in gambling and betting services<sup>1</sup> is not subject to Chapter Nine (Cross-Border Trade in Services) and investment in gambling and betting services is not subject to Chapter Eight (Investment).

For greater certainty, each Party retains the right to adopt or maintain any measure in relation to betting and gambling services, in accordance with its respective laws or regulations.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Free Trade Agreement.

Sincerely,

Kyong-lim Choi  
Chief Negotiator for the Republic  
of Korea

---

<sup>1</sup> For greater certainty, “gambling and betting services” includes such services supplied through electronic transmission and services that use *sa-haeng-seong-ge-im-mul*. “*Sa-haeng-seong-ge-im-mul*,” as defined in Article 2 of Korea’s *Game Industry Promotion Act*, includes, *inter alia*, gaming instruments which result in financial loss or gain through betting or by chance.