

September 22, 2014

Mr. Kyong-lim Choi
Chief Negotiator for the Republic
of Korea
Seoul, Korea

Dear Mr. Kyong-lim Choi,

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

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 services¹ 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.

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

Sincerely,

Ian Burney
Chief Negotiator for Canada

¹ 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.