

ANNEX 3-B
COMMITTEE ON OUTWARD PROCESSING ZONES ON THE KOREAN
PENINSULA

1. Recognizing Korea's constitutional mandate and security interests, and both Parties' commitment to promoting peace and prosperity on the Korean Peninsula, and the importance of intra-Korean economic cooperation toward that goal, a Committee on Outward Processing Zones on the Korean Peninsula (hereinafter referred to as the "Committee") is established pursuant to Article 3.12. The Committee shall review whether the conditions on the Korean Peninsula are appropriate for further economic development through the establishment and development of outward processing zones.
2. The Committee shall be comprised of officials of the Parties. The Committee shall meet on the first anniversary of the entry into force of this Agreement and at least once annually thereafter, or at any time as mutually agreed.
3. The Committee shall identify geographic areas that may be designated outward processing zones. The Committee shall determine whether any such outward processing zone has met the criteria to be established by the Committee. The Committee shall also establish a maximum threshold for the value of the total input of the originating final good.