

ANNEX 7-C

LIST OF MFN EXEMPTIONS

UNITED KINGDOM

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
1. All sectors	The United Kingdom reserves the right to adopt or maintain any measure that accords differential treatment to countries deriving from a specific provision found in economic integration agreements to which the United Kingdom is a Party and according to which the United Kingdom may amend any measure only to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with obligations on market access, national treatment and most-favoured-nation in these economic integration agreements.	All countries	Indefinite	To protect differential treatment deriving from ratchet clauses.
2. Rail Transport - Passenger and Freight	Measures that are taken under existing or future agreements, and which regulate traffic rights and operating conditions.	All countries with which agreements are or will be in force.	Indefinite	To protect the integrity of rail transport infrastructure and the environment, and to regulate traffic rights between the countries concerned.
3. Road Transport - Passenger and Freight	Provisions in existing or future agreements on international road haulage (including combined transport - road/rail) and passenger transport, concluded between the United Kingdom and third countries, which: (a) reserve or limit the provision of transport service between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party; or (b) provide for tax exemption for such vehicles.	Switzerland, states in Central, Eastern and South-Eastern Europe and all members of the Commonwealth of Independent States, Albania, Turkey, Lebanon, Israel, Syria, Jordan, Egypt, Tunisia, Algeria, Morocco, Iran, Afghanistan, Iraq, and Kuwait.	Indefinite	The need for exemption is linked to the regional characteristics of the cross-border provision of road transport services.

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<p>4. Auxiliary Air Transport Services</p> <p>(a) aircraft repair and maintenance services during which an aircraft is withdrawn from service;</p> <p>(b) the selling and marketing of air transport services;</p> <p>(c) computer reservation system (CRS) services; and</p> <p>(d) other services auxiliary to air transport services, such as ground-handling services, rental service of aircraft with crew, and airport management services</p>	<p>The right to adopt or maintain any measure that accords differential treatment to countries under any international agreement in force or signed after the date of entry into force of this Agreement.</p>	<p>All countries</p>	<p>Indefinite</p>	<p>Needed to protect existing and future international agreements.</p>
<p>5. CRS and Sales and Marketing of Air Transport Services</p>	<p>The obligations of CRS system vendors or of parent and participating air carriers shall not apply where equivalent treatment to that applied under UK CRS rules is not accorded in the country of origin of the parent carrier or of the system vendor.</p>	<p>All countries where a CRS system vendor or a parent air carrier is located.</p>	<p>Indefinite</p>	<p>The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS.</p>
<p>6. Internal Waterways Transport</p>	<p>Measures based upon existing or future agreements on access to inland waterways, which reserve traffic rights for operators based in the countries concerned and meeting nationality criteria regarding ownership.</p>	<p>Switzerland, States in Central, Eastern and South-Eastern Europe and all members of the Commonwealth of Independent States.</p>	<p>Indefinite. Exemption needed for certain countries only until an economic</p>	<p>To regulate transport capacity on inland waterways, taking into account geographic specificity.</p>

Sector or sub-sector	Description of measure indicating its inconsistency with Articles 7.8 and 7.14	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
			integration agreement is concluded or completed.	
7. Maritime Transport	Measures concerning the establishment, activities and operations of shipping companies beyond the commitment undertaken by Korea in Annex 7-A.	Unspecified	Indefinite	International agreements in the context of overall trade relations.
8. Fisheries	The United Kingdom reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or plurilateral international agreement involving fisheries in force or signed after the date of entry into force of this Agreement.	All countries	Indefinite	Needed to protect existing and future bilateral and plurilateral international agreements.
9. All sectors	Measures based on existing or future bilateral agreements between the United Kingdom and the countries and principalities concerned, providing for the right of establishment for natural and juridical persons.	San Marino, Monaco, Andorra, and Vatican City State.	Indefinite	The geographical situation and historical, economic and cultural links between the United Kingdom and the countries and principalities concerned.

## KOREA

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
1. All Sectors	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement signed after the date of entry into force of this Agreement involving: (a) fisheries; or (b) maritime matters, including salvage.
2. All Sectors	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries deriving from a specific provision found in economic integration agreements to which Korea is a Party and according to which Korea may amend any measure only to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with obligations on market access, national treatment and most-favoured-nation in these economic integration agreements.
3. Auxiliary Air Transport Services (a) aircraft repair and maintenance services during which an aircraft is withdrawn from service; (b) the selling and marketing of air transport services; (c) computer reservation system (CRS) services; and (d) other services auxiliary to air transport services, such as ground-handling services, rental service of aircraft with crew, and airport management services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement involving auxiliary air transport services signed after the date of entry into force of this Agreement.
4. Disadvantaged Groups	Korea reserves the right to adopt or maintain any measure that accords rights or preferences to socially or economically disadvantaged groups, such as the disabled, persons who have rendered distinguished services to the state, and ethnic minorities.
5. Social Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for public purposes: income security or insurance, social security or insurance, social welfare, public training, health, and child care.
6. Communication Services - Broadcasting Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries due to the application of reciprocity measures or through international agreements involving sharing of the radio spectrum, guaranteeing market access, or national treatment with respect to the one-way satellite transmission of direct-to-home (DTH) and direct broadcasting satellite (DBS) television services and digital audio services.

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
7. Transportation Services - Railroad Transportation	Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any international agreement involving railroad transportation signed after the date of entry into force of this Agreement.
8. Transportation Services - Passenger Road Transportation Services (Taxi Services and Scheduled Passenger Road Transportation Services)	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to taxi services and scheduled passenger road transportation services.
9. Transportation Services - Freight Road Transportation Services (not including Road Transportation Services Related to Courier Services)	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to freight road transportation services, not including road transportation of containerised freight (excluding cabotage) by international shipping companies and road transportation services related to courier services.
10. Transportation Services - Internal Waterways Transportation Services and Space Transportation Services	Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to internal waterways transportation services and space transportation services.
11. Education Services - Pre-Primary, Primary, Secondary, Higher, and Other Education	<p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to pre-primary, primary, and secondary education; health and medicine-related higher education; higher education for prospective pre-primary, primary, and secondary teachers; professional graduate education in law; distance education at all education levels (except adult education services, provided that such services do not confer academic credit, diplomas, or degrees); and other education services.</p> <p>This entry does not apply to the administration of educational testing for foreign use. For greater certainty, nothing in this Agreement affects Korea's authority to select and apply educational testings, or to regulate school curriculum in accordance with domestic education policy.</p>
12. Social Services - Human Health Services	<p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to human health services.</p> <p>This entry shall not apply to the preferential measures provided in the <i>Act on Designation and Management of Free Economic Zones</i> (Law No. 9216, December 26, 2008), and the <i>Special Act on Establishment of Jeju Special Self-Governing Province and Creation of Free International City</i> (Law No.9526, March 25, 2009) relating to establishment of medical facilities, pharmacies, and similar facilities, and the supply of remote medical services to those geographical areas specified in those Acts.</p>

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with MFN
13. Recreational, Cultural, and Sporting Services - Motion Picture Promotion, Advertising, or Post-Production Services	<p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to motion picture promotion, advertising, or post-production services.</p>
14. Transportation Services - Maritime Passenger Transportation and Maritime Cabotage	<p>Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries with respect to the provision of international maritime passenger transportation services, maritime cabotage, and the operation of Korean vessels, including the following measures:</p> <p>A person that supplies international maritime passenger transportation services must obtain a licence from the Minister of Land, Infrastructure and Transport, which is subject to an economic needs test.</p> <p>Maritime cabotage is reserved for Korean vessels. Maritime cabotage includes maritime transportation between harbors located along the entire Korean peninsula and any adjacent islands. Korean vessel means:</p> <ul style="list-style-type: none"> <li>(a) a vessel owned by the Korean government, a state enterprise, or an institution established under the Ministry of Land, Infrastructure and Transport;</li> <li>(b) a vessel owned by a Korean national;</li> <li>(c) a vessel owned by an enterprise organised under the Korean Commercial Code;</li> </ul> <p>a vessel owned by an enterprise organised under foreign law that has its principal office in Korea and whose <i>dae-pyo-ja</i> (for example, a chief executive officer, president, or similar principal senior officer) is a Korean national. In the event there is more than one, all <i>dae-pyo-ja</i> must be Korean nationals.</p>