

UNDERSTANDING ON THE ARTICLE 7.5.2(a) FOOTNOTE 5

In line with the discussion that took place in the Sixty-fifth Session of the WTO Committee on Regional Trade Agreements on June 19th, 2012, the Parties hereby confirm their agreement to acknowledge that each other's understandings regarding footnote 5 on the Article 7.5.2(a) are as follows:

Korea understands that footnote 5 does not create any obligation that goes beyond the ordinary meaning of the Article XVI:2(a) of the WTO GATS, and its commitment under Annex 7-4-A is based on such an understanding.

The UK understands that footnote 5 clarifies that requiring a service supplier of the other Party to have an establishment or to be resident in a Party's territory as a condition for the cross-border supply of services is a market access limitation within the meaning of Article 7.5.2(a). The footnote is without prejudice to the meaning of Article XVI:2(a) of the WTO GATS.

This Understanding shall constitute an integral part of this Agreement.