

**RECORD OF UNDERSTANDING
RELATING TO THE FREE TRADE AGREEMENT BETWEEN
KOREA AND THE EFTA STATES**

Chapter 3 (Trade in Services) and Chapter 4 (Financial Services)

It is understood that, in respect of subsidies, the scope of Chapters 3 and 4 is the same as the scope of the GATS.

It is furthermore recognized that, in certain circumstances, subsidies may have distortive effects on trade in services and Parties take note of the GATS negotiations.

It is understood in particular that a Party which considers that it is adversely affected by a subsidy of another Party may request consultations.

Article 3.6 – National Treatment

It is understood that, in respect of treatment accorded by a local government or authority of a Party, the term “its own like services or service suppliers” means like services or service suppliers of that Party, including of itself.

Article 3.14 – Restrictions to Safeguard the Balance of Payments

It is understood that paragraph 2 (a) of Article XII of the GATS does not apply to restrictions to specific commitments in a sector beyond those committed under the GATS provided such restrictions are applied on a non-discriminatory basis with regard to services or service suppliers of those countries which are enjoying the same access to the market in that sector.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Record of Understanding.

Done at Hong Kong, this 15th day of December 2005, in a single original in the English language, which shall be deposited with the Government of Norway. The Depositary shall transmit certified copies to all Signatory States.

For the Republic of Korea

For the Republic of Iceland

.....

.....

For the Principality of Liechtenstein

.....

For the Kingdom of Norway

.....

For the Swiss Confederation

.....